

- San Bernardino County Transportation Commission ■ San Bernardino County Transportation Authority
■ San Bernardino County Congestion Management Agency ■ Service Authority for Freeway Emergencies

Minute Action

AGENDA ITEM 1

Date: September 1, 2010

Subject: Information Relative to Possible Conflict of Interest

Recommendation*: Note agenda items and contractors/subcontractors, which may require member abstentions due to possible conflicts of interest.

Background: In accordance with California Government Code 84308, members of the SANBAG Board may not participate in any action concerning a contract where they have received a campaign contribution of more than \$250 in the prior twelve months from an entity or individual, except for the initial award of a competitively bid public works contract. This agenda contains recommendations for action relative to the following contractors:

Item No.	Contract No.	Principals & Agents	Subcontractors
5	C08003-01	Willis <i>Bryan M. Fitzpatrick</i>	None
8	C10193	GCAP Services, Inc <i>Edward Salcedo</i>	None
10	C07108-02	JLM Towing Services, Inc. <i>Moises Serrano</i>	None
10	C07107-02	Pepe's Towing Services, Inc. <i>Lorenzo Navarro</i>	None
14	C07009-01	Orrick Herrington & Sutcliffe, LLP <i>Mary A. Collins</i>	None

*Approved
Board of Directors*

Date: _____

Moved: _____ *Second:* _____

In Favor: _____ *Opposed:* _____ *Abstained:* _____

Witnessed: _____

14	C07010-01	<i>Nossaman LLP Barney A. Allison</i>	None
14	C07011-02	<i>Montague, DeRose & Assoc., LLP Douglas Montague</i>	None
14	N/A	<i>De La Rosa & Co. Raul Amezcua</i>	None
14	N/A	<i>Bank of America Merrill Lynch Grace Barvin</i>	None
14	N/A	<i>Citigroup Christopher Mukai</i>	None
14	N/A	<i>Goldman Sachs Ian Paker</i>	None
14	N/A	<i>Barclays Capital John McCray-Goldsmith</i>	None
15	C09100-01	<i>AECOM Technical Services, Inc. Mario Montes</i>	<i>Associated Engineers Jim Imborski Earth Mechanics, Inc. Lino Cheang STB Landscaping LIN Consulting Kleinfelder</i>
16	C04008-06	<i>AECOM Technical Services, Inc. Mario Montes</i>	<i>Associated Engineers Jim Imborski Earth Mechanics, Inc. Lino Cheang STB Landscaping LIN Consulting TRC</i>
17	C08078	<i>Burlington Northern Santa Fe (BNSF Railroad) David L. Freeman</i>	None
21	C09114-01	<i>Paratransit. Inc. Linda Deavens</i>	None

Financial Impact: This item has no direct impact on the SANBAG budget.

Reviewed By: This item is prepared monthly for review by SANBAG Board and Committee members.

BOARD OF DIRECTORS ATTENDANCE RECORD - 2010

XName	Jan	Special Jan 20 Mtg.	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Gary Ovitt Board of Supervisors	X		X	X	X	X	X		X				
Brad Mitzelfelt Board of Supervisors	X	X	X		X	X	X	X					
Paul Biane Board of Supervisors	X	X	X	X		X		X					
Josie Gonzales Board of Supervisors	X	X	X	X	X	X	X	X					
Neil Derry Board of Supervisors	X	X	X	X	X	X	X	X	X				
Charley Glasper City of Adelanto	X	X	X	X	X	X	X	X	X				
Rick Roelle Town of Apple Valley	X	X	X	X	X	X		X	*				
Julie McIntyre City of Barstow	X	X	X	X	X	X	X	X	X				
Bill Jahn City of Big Bear Lake	X		X	X	X		X	X	X				
Dennis Yates City of Chino	X		X	X	X	X	X	X					
Gwenn Norton-Perry City of Chino Hills	X												
Ed Graham City of Chino Hills		X	X	X	X	X	X	X	X				
Kelly Chastain City of Colton	X	X	X	X	X	X	X	X	X				
Mark Nuaimi City of Fontana	X	X	X		X	X	X	*					
John Roberts City of Fontana									X				
Bea Cortes City of Grand Terrace	X	X	X	X	X	X	X	X	X				

X = member attended meeting. * = alternate member attended meeting. Empty box = Did not attend meeting. Crossed out box = not a Board Member at the time.
brdatt10

BOARD OF DIRECTORS ATTENDANCE RECORD - 2010

XName	Jan	Special Jan 20 Mtg.	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Mike Leonard City of Hesperia	X	X	X	X	X	X	X		X				
Larry McCallon City of Highland	X	X	X	X	X	X	X						
Rhodes 'Dusty' Rigsby City of Loma Linda	X	X	X	X	X	X	X	X	*				
Paul Eaton City of Montclair	X	X	X	X	X	X	X	*	X				
Jeff Williams City of Needles	X		X	X	X	X	X	X	X				
Alan Wapner City of Ontario	X	X	X	X	X	X	X	X	X				
Diane Williams City of Rancho Cucamonga	X		X	X	X	X	X	X	X				
Pat Gilbreath City of Redlands	X		X	X	X	X	X	X	X				
Ed Scott City of Rialto	X	X	X	X	X	X	X	X	X				
Patrick Morris City of San Bernardino	X	X	X	X	X	X	X	X	X				
Jim Harris City of Twentynine Palms	X	X	X	X	X	X	X	X	X				
John Pomierski City of Upland	X	X	X	X	X	X	X	X	X				
Ryan McEachron City of Victorville	X		X	X	X	X	X	X	X				
Dick Riddell City of Yucaipa	X	X	X	X	X	X	X	X	X				
William Neeb Town of Yucca Valley	X	X	X	X	X	X	X	*	X				
Ray Wolfe Ex-Official Member	X		X	X	Syed Raza	X	X	X	Syed Raza				

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brdatt10

BOARD OF DIRECTORS ATTENDANCE RECORD - 2009

Name	Jan	Feb	March	April	May	Special May 20 Mtg	June	July	Aug	Sept	Oct	Nov	Dec
Gary Ovitt Board of Supervisors	X	X		X	X	X	X	X		X	X	X	X
Brad Mitzelfelt Board of Supervisors	X			X	X		X	X	X	X	X	X	X
Paul Biane Board of Supervisors	X		X	X			X	X	X		X	X	X
Josie Gonzales Board of Supervisors	X	X	X	X	X		X		X	X	X	X	X
Neil Derry Board of Supervisors		X	X	X	X	X	X	X	X		X	X	X
Charley Glasper City of Adelanto	X	X	X	X	X		X	X	X	X	X	X	X
Rick Roelle Town of Apple Valley	X	X	X	X	X	X	X	X	X	X	X	X	X
Julie McIntyre City of Barstow	X	X	X	X	X		X	X		X		X	X
Bill Jahn City of Big Bear Lake	X	X	X	X	X	X	X	X	X	X	X	X	X
Dennis Yates City of Chino	X	X	X	X	X	X	X	X	X		X	X	X
Gwenn Norton-Perry City of Chino Hills		X	X	X	X			X	X		X	X	X
Kelly Chastain City of Colton	X	X	X	X	X	X	X	X	X	X	X	X	X
Mark Nuaimi City of Fontana	X	X	X	X	X	X	X	X	X	X	X	X	X
Bea Cortes City of Grand Terrace	*	X	X	X	X	X	X	X	X		X	X	X
Mike Leonard City of Hesperia	X	X		X	X		X	X	X		X		X

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BOARD OF DIRECTORS ATTENDANCE RECORD - 2009

Name	Jan	Feb	March	April	May	Special May 20 Mtg	June	July	Aug	Sept	Oct	Nov	Dec
Larry McCallon City of Highland	X	X	X	X	X	X	X	X	*	X	X	X	X
Rhodes 'Dusty' Rigsby City of Loma Linda	X	X	X	X	X	X	X	X		X	X	X	X
Paul Eaton City of Montclair	X	X	X	X	*		X	X	X	X	X	X	X
Jeff Williams City of Needles	X	X		X	X		X	X	X	X		X	
Alan Wapner City of Ontario	X	X	X	*	X		X	X	X	X	X	X	X
Diane Williams City of Rancho Cucamonga	X	X	X	X	X	X	X	X	X	X	X		X
Pat Gilbreath City of Redlands	X	X	X	X	X	X	X	X	X	X	X	X	X
Grace Vargas City of Rialto	*	X	X	X	X	X	X	X	X	X	X	X	X
Ed Scott City of Rialto	X	X	X	X	X		X	*	X	X	X	X	X
Patrick Morris City of San Bernardino	X	X	X	X	X		X	X	X	X	X	X	X
Jim Harris City of Twentynine Palms	X	X	X	X	X	X	X	X	X	X	X	X	X
John Pomierski City of Upland	X	X	X		X	X	X	X	X			X	X
Ryan McEachron City of Victorville	X	X	X	X	X	X	X	*	X	X	X	X	X
Dick Riddell City of Yucaipa	X	X	X	X	X	X	X	X	X	X	X	X	X
William Neeb Town of Yucca Valley	X	X	X	X	X	X	X	X	X	X	X		X
Ray Wolfe Ex-Official Member	Jesus Galvan	X	X	X	Basem Muallem		Basem Muallem	X	X	X	X	X	X

X = member attended meeting.

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Minute Action

AGENDA ITEM: 3

Date: September 1, 2010

Subject: July 2010 Procurement Report

Recommendation:* Receive Monthly Procurement Report

Background: The Board of Directors approved the Contracting and Procurement Policy (Policy No. 11000) on January 3, 1997. The Executive Director, or designee, is authorized to approve Purchase Orders up to an amount of \$50,000. All procurements for supplies and services approved by the Executive Director, or designee, in excess of \$5,000 shall be routinely reported to the Administrative Committee and to the Board of Directors.

Attached are the purchase orders in excess of \$5,000 to be reported to the Board of Directors for the month of July 2010.

Financial Impact: This item imposes no impact on the FY 2010/2011 Budget. Presentation of the monthly procurement report will demonstrate compliance with the Contracting and Procurement Policy (Policy No. 11000).

Reviewed By: This item was reviewed and received by the Administrative Committee on August 11, 2010.

Responsible Staff: William Stawarski, Chief Financial Officer

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*Approved
Board of Directors*

Date: _____

Moved:

Second:

In Favor:

Opposed:

Abstained:

Witnessed: _____

X	COG	X	CTC	X	CTA	X	SAFE	X	CMA
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Check all that apply

BRD1009a-cac

ISF11

July 2010 Report of Purchase Orders

PO No.	PO Issue Date	Vendor	Purpose	Amount \$
RCMS #				
EDEN #				
P11028	07/21/10	Gladstein, Neandross & Associates	Consultant for Alternative Fuel & ICTC Programs. Sole Source – Unique Qualifications	25,000.00
4000383				
P11029	07/21/10	LA County Metropolitan Trans.	Regional Rideshare Marketing & Outreach	15,014.00
4000382				
P11030	07/21/10	Jill Kollmann & Associates	Consultant for Call Box Program Sole Source – Unique Qualifications	5,000.00
4000394				
P11031	07/29/10	Jill Kollmann & Associates	Consultant for Rideshare & 511 Program Sole Source – Unique Qualifications	24,000.00
4000393				
P11033	07/21/10	Bernard Arroyo	Consultant for the Freeway Service Patrol Program Sole Source – Unique Qualifications	24,000.00
4000395				
P11034	07/21/10	Bernard Arroyo	Technical Consultant for the Rideshare Program Sole Source – Unique Qualifications	5,000.00
4000396				
P11035	07/21/10	Bernard Arroyo	Consultant for the call Box Program Sole Source – Unique Qualifications	5,000.00
4000397				
*Note: Sole Source justification is noted in the Purpose statement, if applicable.				Total \$ 103,014.00

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Minute Action

AGENDA ITEM: 4

Date: September 1, 2010

Subject: Investment Policy No. 20100

Recommendation: * Approve changes in existing SANBAG Investment Policy No. 20100.

Background: The California Government Code, which governs the investment of public funds (Section 53635 et seq.), requires that the agency's governing body review the investment policy at a public meeting.

Staff and SANBAG's investment advisor, PFM Investment Management, have reviewed the current policy and recommend the following changes:

1. SECTION VI. DELEGATION OF AUTHORITY.

Delete "In addition, the CFO, under the direction and oversight of the Executive Director, and consultation with SANBAG's investment advisor, shall review the alternatives for the investment of bond proceeds, and shall recommend such investments to the SANBAG Board for approval". The investment of bond proceeds is identified under SECTION X. ADDITIONAL ALLOWABLE INVESTMENTS FOR BOND PROCEEDS ONLY and will be authorized by bond covenant.

2. SECTION IX. ALLOWABLE INVESTMENTS FOR SANBAG OPERATING FUNDS.

A. Add (C) Obligations of the State of California or any local agency within the state and (D) Registered treasury notes or bonds of other

*Approved
Board of Directors*

Date: _____

Moved:

Second:

In Favor:

Opposed:

Abstained:

Witnessed: _____

X	COG	X	CTC	X	CTA	X	SAFE	X	CMA
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Check all that apply

BRD1009b-cac

Attachment:

BRD1009b1-cac

states in addition to California to diversify the number of sectors and issuers.

- B. Revise (C) to be (E) and add “held” before “by a third party custodial agreement”. Also add “Repurchase agreements may not represent more than 20% of SANBAG’s investment portfolio”, to limit the amount to be invested in repurchase agreements.
- C. Delete “(G) “provided that the issuing corporation is organized and operating within the United States, has total assets in excess of \$500 million and has an “A” or higher rating for its long-term debt, if any, as provided by a nationally recognized statistical rating organization.” This is also stated in paragraphs (G) (1) and (2).
- D. Increase (J) from \$40 million to \$50 million limitation on LAIF investment per State Treasurer’s Office authorization to increase the dollar amount for investment.

3. SECTION X. ADDITIONAL ALLOWABLE INVESTMENTS FOR BOND PROCEEDS ONLY.

- 4. Change (A) For CAMP, rating from AAA to AAAm and average maturity from one year to 60 days or less. This is to improve safety and liquidity.

5. SECTION XV. COMPETITIVE BIDDING OF INVESTMENTS.

Add “in conjunction with SANBAG’s investment advisor” for clarification purposes.

Attached are the recommended changes in the Investment Policy for discussion and consideration by this committee.

Financial Impact: This item imposes no impact on the FY 2010/2011 Budget.

Reviewed By: This item was reviewed by the Administrative Committee on August 11, 2010 and unanimously recommended for approval.

Responsible Staff: William Stawarski, Chief Financial Officer

San Bernardino Associated Governments	Policy	20100
Adopted by the Board of Directors October 2, 1996	Revised	DRAFT 9/1/10 1/9/08
Investment Policy	Revision No.	13 12

Table of Contents

Purpose | Policy | Investment Goals | Prudent Investor Standard | Scope | Delegation of Authority | Conflicts of Interest | Portfolio Maturity Limits | Allowable Investments for SANBAG Operating Funds | Additional Allowable Investments for Bond Proceeds Only | Prohibited Investment Transactions | Investment in "Derivative" Securities | Leveraging | Safekeeping of Securities | Competitive Bidding of Investments | Broker/Dealers | Quarterly Reporting | Annual Submission of Investment Policy | Revision History |

I. PURPOSE

The purpose of this policy is to provide guidelines for the investment of funds based upon prudent cash management practices and in conformity with all applicable statutes.

II. POLICY

The Board of Directors of the San Bernardino Associated Governments (SANBAG) and its related authorities and agencies recognizes its responsibility to direct the investment of funds under its care. This policy is designed to meet the specific needs of SANBAG while ensuring the safety of funds.

III. INVESTMENT GOALS

The investment of funds by SANBAG shall be guided by the goals of safety, liquidity, diversification, and a reasonable market rate of return.

Safety: Safety of principal is the foremost objective of the investment program. Investments of SANBAG will be undertaken in a manner that seeks to ensure the preservation of capital in the portfolio.

Liquidity: SANBAG's investment portfolio will remain sufficiently liquid to enable SANBAG to meet all operating requirements and budgeted expenditures, including an additional amount to cover reasonably estimated contingencies.

Diversification: The investment portfolio will be diversified to avoid risk regarding specific security types or individual financial institutions.

Reasonable Market Rate of Return: The investment portfolio will be designed to attain a market average rate of return through economic cycles which is consistent with SANBAG's primary goals of safety, liquidity and diversification.

IV. PRUDENT INVESTOR STANDARD

SANBAG investments are governed by the prudent investor standard, set forth as follows:

When investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing public funds, a trustee shall act with care, skill, prudence and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency that a prudent person acting in a like capacity and familiarity with those matters would use in the investment of funds of a like character and with like aims, to safeguard the principal and maintain the

liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall investment strategy, investments may be acquired as authorized by law.

V. SCOPE

The investment policy applies to all financial assets held by SANBAG, including bond proceeds. Funds specifically exempt from this policy include employee deferred compensation plans, employee pension plans, or assets held in trust by SANBAG with specific investment instructions.

VI. DELEGATION OF AUTHORITY

SANBAG's bylaws designate the Executive Director as Treasurer for the Agency.

Under the direction and oversight of the Executive Director, and in consultation with SANBAG's investment advisor, the Chief Financial Officer (CFO) shall direct the investment of SANBAG operating funds, which are not invested in the County Pool or in LAIF ("DIRECT INVESTMENTS"). ~~In addition, the CFO, under the direction and oversight of the Executive Director, and in consultation with SANBAG's investment advisor, shall review the alternatives for the investment of bond proceeds, and shall recommend such investments to the SANBAG Board for its approval.~~ All officials, staff members and consultants are directly accountable to the SANBAG Board for investment functions.

VII. CONFLICTS OF INTEREST

All officials, staff members and consultants involved in the investment functions will refrain from personal business activity that could conflict with the execution of the investment function or which could impair their ability to make impartial investment decisions. Officials, staff members, and consultants will disclose to the Executive Director any financial interest with a financial institution or broker that conducts business with SANBAG. Officials, staff members and consultants will further disclose any personal financial positions that could be related to the performance of SANBAG's portfolio.

VIII. PORTFOLIO MATURITY LIMITS

Investment maturities shall be based on a review of cash flow forecasts. Maturities will be scheduled so as to permit the Authority to meet all projected obligations.

The maximum maturity of any other investment of operating funds ("direct investments") may not exceed four years.

Investment of bond proceeds shall be made in consideration of the liquidity needs of the bond fund, and may not exceed five years, except for securities to be held in a defeasance escrow for refunded bonds and bond debt serve reserve funds.

Investments in the San Bernardino County Pool and in LAIF are subject to maturity limits and other investment restrictions as imposed by the governing bodies of those agencies.

IX. ALLOWABLE INVESTMENTS FOR SANBAG OPERATING FUNDS

Investment of SANBAG's funds is governed by the California Government Code, Sections 53600 et seq. and 53635 et seq. Should the Government Code become more restrictive than this policy, the Government Code restrictions shall prevail.

The following investment vehicles are permitted for the investment of operating funds.

- A. Government obligations for which the full faith and credit of the United States are pledged for the payment of principal and interest.
- B. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. No more than 10% of SANBAG's investment portfolio may be invested in the obligations of any one federal agency or United States government-sponsored enterprise.
- C. Obligations of the State of California or any local agency within the state, including bonds payable solely out of revenues from a revenue producing property owned, controlled or operated by the state or any local agency or by a department, board, agency or authority of the state or any local agency. Obligations of the State of California or any California local agency may not represent more than 20% of SANBAG's portfolio and no more than 10% may be invested in the obligations of any one issuer.**
- D. Registered treasury notes or bonds of any of the other 49 United States in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 United States, in addition to California. Obligations of the other 49 states may not represent more than 20% of SANBAG's portfolio and no more than 10% may be invested in the obligations of any one issuer.**

GE. Repurchase Agreements used solely as short-term investments not to exceed 30 days.

The following collateral restrictions will be observed: Only U.S. Treasury securities or Federal Agency securities, as described in par. IX. A and B, will be acceptable collateral. All securities underlying Repurchase Agreements must be delivered to SANBAG's custodian bank by book entry, physical delivery, or **held** by a third party custodial agreement. The total of all collateral for each Repurchase Agreement must equal or exceed, on the basis of market value, 102% of the funds borrowed against those securities. For any Repurchase Agreement with a term of more than one day, the value of the underlying securities must be reviewed on a weekly basis and the value of the underlying securities brought back up to 102% no later than the next business day.

Market value must be calculated each time there is a substitution of collateral.

SANBAG or its trustee shall have a perfected first security interest under the Uniform Commercial Code in all securities subject to the Repurchase Agreement.

SANBAG may enter into Repurchase Agreements only with primary dealers of the Federal Reserve Bank of New York.

SANBAG will have specific written agreements with each firm with which it enters into Repurchase Agreements.

Reverse repurchase agreements will not be allowed.

Repurchase agreements may not represent more than 20% of SANBAG's investment portfolio.

EF. Bankers' Acceptances issued by domestic or foreign banks, which are eligible for purchase by the Federal Reserve System, the short-term paper of which is rated in the highest category by a nationally recognized statistical-rating organization.

Purchases of Bankers' Acceptances may not exceed 180 days maturity or 20% of SANBAG's investment portfolio. No more than 5% of SANBAG's investment portfolio may be invested in the Bankers' Acceptances of any one commercial bank.

FG. Commercial paper rated in the highest short-term rating category, as provided by a nationally recognized statistical-rating organization, ~~provided that the issuing corporation is organized and operating within the United States, has total assets in excess of \$500 million and has an "A" or higher rating for its long-term debt, if any, as provided by a nationally recognized statistical-rating organization.~~ The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (1) or paragraph (2):

- (1) The entity meets the following criteria: (a) is organized and operating in the United States as a general corporation; (b) has total assets in excess of five hundred million dollars (\$500,000,000); (c) has debt other than commercial paper, if any, that is rated "A" or higher by a nationally recognized statistical-rating organization.
- (2) The entity meets the following criteria: (a) is organized within the United States as a special purpose corporation, trust, or limited liability company; (b) has program-wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond; (c) has commercial paper that is rated "A-1" or higher, or the equivalent, by a nationally recognized statistical-rating organization.

Purchases of eligible commercial paper may not exceed 270 days maturity nor represent more than 10% of the outstanding paper of an issuing corporation.

Purchases of commercial paper may not exceed 25% of SANBAG's investment portfolio. No more than 5% of SANBAG's investment portfolio may be invested in commercial paper of one issuer.

GH. Medium-term corporate notes issued by corporations organized and operating within the United States or by depository institutions licensed by the U.S. or any state and operating within the U.S. Medium-term corporate notes shall be rated in a rating category "AA," or its equivalent or better, by a nationally recognized statistical-rating organization.

Purchase of medium-term corporate notes may not exceed 20% of SANBAG's investment portfolio. No more than 5% of SANBAG's investment portfolio may be invested in a medium-term note of any one corporation.

HI. Negotiable certificates of deposit or deposit notes issued by a nationally or state-chartered bank or a state or federal savings and loan association or by a state-licensed branch of a foreign bank provided that the senior debt obligations of the issuing institution are rated "AA" or better by a nationally recognized statistical-rating organization.

Purchase of negotiable certificates of deposit may not exceed 20% of SANBAG's investment portfolio.

IJ. State of California's Local Agency Investment Fund (LAIF)

Investment in LAIF may not exceed 60% of SANBAG's operating funds or ~~\$40~~ \$50 million, whichever is less.

JK. San Bernardino County Investment Pool

KL. Insured savings accounts

LM. Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1, et seq.). To be eligible for investment pursuant to this subdivision, these companies shall either: (1) have attained the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations, or (2) have an

investment advisor registered or exempt from registration with the Securities and Exchange Commission with not less than five years experience managing money market mutual funds and with assets under management in excess of \$500,000,000.

The purchase price of shares of beneficial interest purchased shall not include any commission that the companies may charge and shall not exceed 20% of SANBAG's investment portfolio. Further, no more than 10% of SANBAG's investment portfolio may be invested in shares of beneficial interest of any one money market fund.

For purposes of determining compliance with this policy, where this section specifies a percentage limitation for a particular category of investment, that percentage is applied on the date of purchase. Credit criteria listed in this section refers to the credit of the issuing organization at the time the security is purchased.

X. ADDITIONAL ALLOWABLE INVESTMENTS FOR BOND PROCEEDS ONLY

- A. California Asset Management Program (CAMP)'s money market pool, which is rated AAAm and has an average maturity of ~~one year~~60 days or less and its separately managed portfolio.
- B. Investment agreement with an AA rated bank or collateralized investment agreement with an A rated bank or an investment acceptable to a bond insurance company and approved specifically by the SANBAG Board.
- C. Debt service reserve funds and debt service funds may be invested longer than five years as long as they are permitted by state law and investments are readily available for bond payments and other bond purposes (refundings, defeasance, etc.).
- D. U.S. Treasury Securities and State and Local Government Securities having a maturity longer than five years are permitted for escrowed defeasances.
- E. Forward purchase agreements, forward delivery agreements and debt service reserve agreements approved specifically by the SANBAG Board.
- F. Other investments as permitted by bond indentures.

XI PROHIBITED INVESTMENT TRANSACTIONS

Any investment not specifically allowed by this policy is prohibited.

XII. INVESTMENT IN "DERIVATIVE" SECURITIES

Direct investment in derivative securities is prohibited. A "derivative security" is any investment the value of which is derived from an underlying security, commodity or index. For purposes of this policy, a derivative is any security that has principal and/or interest payments which are subject to significant uncertainty as to timing, and/or amount.

It is understood that the County Pool and LAIF may invest in certain derivative securities.

XIII. LEVERAGING

All forms of portfolio leverage, including, but not limited to, securities lending programs, reverse repurchase agreements, and margin accounts, are prohibited.

XIV. SAFEKEEPING OF SECURITIES

SANBAG shall enter into an agreement with a bank trust department to serve as the safekeeping agent for all direct investments. The safekeeping agent shall hold all investments in an account for the sole

benefit of SANBAG. All direct investments shall be delivered by the broker to SANBAG's safekeeping account on a delivery versus payment basis.

XV. COMPETITIVE BIDDING OF INVESTMENTS

The investment procedures require that approved broker/dealers compete for direct investment purchases and sales to ensure that all investment transactions are free from favoritism. The CFO in conjunction with SANBAG's investment advisor shall determine the best execution price for SANBAG, and act accordingly.

XVI. BROKER/DEALERS

If a third party investment advisor is authorized to conduct investment transactions on SANBAG's behalf, the investment advisor may use their own list of approved broker/dealers and financial institutions for investment purposes. The investment advisor's approved list must be made available to SANBAG upon request.

For any investment transactions conducted by the Treasurer on behalf of SANBAG, the Treasurer shall comply with the following requirements:

Transactions initiated by SANBAG shall be executed through government securities dealers reporting as primary dealers to the New York Federal Reserve Bank of New York or direct issuers (defined as corporations that issue their own securities) and through secondary dealers who have received prior approval to do business with SANBAG.

Primary dealers wishing to do business with SANBAG must meet the following criteria:

1. The primary dealer representative must have demonstrated experience providing investment services to public agencies in California.
2. The primary dealer representative must provide SANBAG with a minimum of three references of finance officials from public agencies in California.

Secondary dealers must complete a broker/dealer application provided by SANBAG, and must meet the following criteria to the satisfaction of SANBAG's Chief Financial Officer:

1. The broker/dealer must qualify under SEC Rule 15C3-1 (uniform net capital rule).
2. The broker/dealer and the broker/dealer representative must be properly registered with the appropriate state and federal regulatory bodies.
3. The broker/dealer should be a market maker and have a strong market presence in one or more product areas that are pertinent to SANBAG's investment goals.
4. The broker/dealer and its representative should be well established in the business and have an acceptable track record.

Each broker/dealer will be sent a copy of this Policy, a broker/dealer application, and a list of persons authorized to execute transactions on SANBAG's behalf. In order to be considered for investment business opportunities with SANBAG, each firm must acknowledge receipt of such materials.

XVII. QUARTERLY REPORTING

The CFO will provide a quarterly report to the Administrative Committee and to the Board of Directors providing the following information:

- A. Breakout of all securities, investments and moneys held by SANBAG by investment type, issuer, date of maturity, par, dollar amount and percent of portfolio invested in each.
- B. A description of all SANBAG's funds, investments or programs that are under the management of any outside party that is not a local agency. This report must also include market valuation of the portfolio and the source of the valuation.

- C. A statement of compliance with investment policy and a statement denoting the ability of SANBAG to meet all expenditures for the next six months.

XVIII. ANNUAL SUBMISSION OF INVESTMENT POLICY

SANBAG's CFO shall render a statement of investment policy to the Board of Directors annually. The Board shall consider the policy, with any changes, in a public meeting.

XIX. REVISION HISTORY

Revision No.	Revisions	Adopted
0	Adopted by the Board of Directors.	10/02/96
1	20100: Added paragraph starting with "It shall be SANBAG's long term objective . . .".	09/03/97
2	No changes.	12/02/98
3	20100.10: Changed percentage of operating funds amount to 20%. 20100.10: Changed percentage of San Bernardino portfolio to 20%.	11/03/99
4	No changes. Re-approved by the Board of Directors.	11/01/00
5	Added Para. 20100.16 Qualifications of Broker/Dealers; re-sequenced existing paragraphs. 20100.16, 20100.17, 20100.18, 20100.19, 20100.20, and 20100.21 to 20100.17, 20100.18, 20100.19, 20100.20, and 20100.22. Revised Par. 20100.10: Revised "...not to exceed 20% of SANBAG's operating funds..." to "...not to exceed 30% of SANBAG's operating funds...", and "Portion of Portfolio: 20% maximum" to "Portion of Portfolio: 30% maximum".	11/07/01
6	Changed paragraph numbering style from 20100.1, 20100.2, 20100.3 etc. to I, II, III, etc. Par. IX: Changed "one year" to "two years". Par. X.4: Changed "1 year maximum" to "2 year maximum". Par. X.5: Changed "1 year maximum" to "2 year maximum". Par. X.6: Changed "180 days maximum" to "270 day maximum".	11/06/02
7	No changes. Re-approved by the Board of Directors	11/05/03
8	No changes. Re-approved by the Board of Directors	01/05/05
9	No changes. Re-approved by the Board of Directors	11/02/05
10	Paragraphs on DEFINITIONS, ANNUAL MANAGEMENT REVIEW AND AUDIT, AND SEGREGATED INVESTMENT, and EXECUTION AND RECORD KEEPING: Deleted. Paragraphs III, IV, IX, and XVII: Minor revisions. Paragraphs VIII, IX, and XVI: Major revisions.	07/05/06
11	Par. IX.J: Removed limitation.	09/13/06
12	No changes. Re-approved by the Board of Directors	01/09/07
13	VI. DELEGATION OF AUTHORITY: Revised. IX. ALLOWABLE INVESTMENTS FOR SANBAG OPERATING FUNDS: Revised. X. ADDITIONAL ALLOWABLE INVESTMENTS FOR BOND PROCEEDS ONLY: Revised. XV. COMPETITIVE BIDDING OF INVESTMENTS: Revised.	

Minute Action

AGENDA ITEM: 5

Date: September 1, 2010

Subject: Contract for Insurance Brokerage Services

Recommendation:* Approve Amendment No. 1 to Contract No. 08003 with the firm Willis (formerly HRH) to extend the terms of the contract through December 1, 2012 in an amount of \$80,000 for a total of \$215,000 (not including insurance premium amounts that are subject to bids).

Background: On July 11, 2007 the Board approved a three year contract with Hilb, Rogal & Hobbs, now Willis, for insurance brokerage services for SANBAG. The contract included an optional extension for two additional years. Willis has extensive experience with local governments and transportation agencies, continues to work closely with SANBAG on insurance issues that arise, and has been proactive in completing requested services. Services provided by Willis include:

- Providing routine policy service on all SANBAG policies
- Providing a summary of all quotes and indications sought and received
- Assessing the financial soundness of the recommended insurers
- Assisting staff in the preparation of insurance underwriting submissions
- Reviewing all policies and endorsements delivered for accuracy and conformity to negotiated specifications
- Meeting with SANBAG staff prior to policy renewals to develop a negotiation strategy that will address risks to be covered, markets to be solicited, and insurance limits

*

*Approved
Board of Directors*

Date: _____

Moved:

Second:

In Favor:

Opposed:

Abstained:

Witnessed: _____

x	COG	x	CTC	x	CTA	x	SAFE	x	CMA
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Check all that apply

BRD1009d-cac

Attachment:

C08003-1

- Informing SANBAG of all claims-reporting requirements, including where claims should be reported and the method of reporting to be used
- Providing claim consulting services including claim reporting and claim advocacy services

Financial Impact: The recommended action is consistent with the SANBAG Fiscal Year 2010/2011 Budget; Task ISF11.

Reviewed By: This item was reviewed by the Administrative Committee on August 11, 2010 and unanimously recommended for approval.

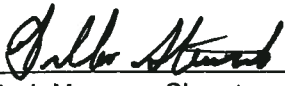
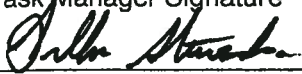
Responsible Staff: William Stawarski, Chief Financial Officer

SANBAG Contract No. **C08003-1**
by and between
San Bernardino Associated Governments and Willis
for Risk Management Advisor, Consultant, and Insurance Brokerage Services

FOR ACCOUNTING PURPOSES ONLY						
<input checked="" type="checkbox"/> Payable <input type="checkbox"/> Receivable	Vendor Contract # _____ Vendor ID _____	Retention: <input type="checkbox"/> Yes _____ % <input checked="" type="checkbox"/> No	<input type="checkbox"/> Original <input checked="" type="checkbox"/> Amendment			
Notes: Budget Amount includes Consultant Fee plus estimated insurance premiums.						
Original Contract: \$ <u>135,000</u>		Previous Amendments \$ _____				
		Previous Amendments \$ _____				
Contingency / Allowance Amount \$ _____		Contingency / Allowance Total:				
		Current Amendment: \$ <u>80,000</u>				
		Current Amendment Contingency / Allowance: \$ <u>0</u>				
Contingency Amount requires specific authorization by Task Manager prior to release.						
Contract TOTAL ►						\$ <u>215,000</u>
* Funding sources remain as stated on this document unless and until amended by proper authority. Funding sources are those which are ultimately responsible for the expenditure.						
▼ Include funding allocation for the original contract or the amendment						
Main Task/ Project	Level 1	Level 2	Cost Code/ Object	Grant ID/ Supplement	Funding Sources/ Fund Type (Measure I, STP, CMAQ, etc.)	Amounts for Contract Total or Current Amndmnt Amt
<u>7110</u>	<u>85</u>	<u>0110</u>	<u>52001</u>	<u>7110</u>	<u>Indirect</u>	<u>\$ 80,000</u>
_____	_____	_____	_____	_____	_____	\$ _____
_____	_____	_____	_____	_____	_____	\$ _____
_____	_____	_____	_____	_____	_____	\$ _____
Original Board Approved Contract Date: <u>7/11/07</u>				Contract Start: <u>7/11/07</u>		Contract End: <u>12/1/10</u>
New Amend. Approval (Board) Date: <u>09/01/10</u>				Amend. Start: <u>12/01/10</u>		Amend. End: <u>12/1/12</u>
Allocate the Total Contract Amount or Current Amendment amount between Approved Budget Authority in the current year and Future Fiscal Year(s) Unbudgeted Obligation .						
Approved Budget Authority ►		Fiscal Year: <u>10/11</u> \$ <u>40,000</u>		Future Fiscal Year(s) – Unbudgeted Obligation ►		\$ <u>40,000</u>
<input checked="" type="checkbox"/> Budget authority for this contract currently exists in Task No. <u>Indirect</u> (C-Task may be used here.).						
<input type="checkbox"/> A budget amendment is required. A Budget Amendment Request is attached.						

CONTRACT MANAGEMENT	
Check all applicable boxes:	
<input type="checkbox"/> Intergovernmental	<input checked="" type="checkbox"/> Private
<input type="checkbox"/> Federal Funds	<input type="checkbox"/> State/Local Funds
<input type="checkbox"/> Disadvantaged Business Enterprise (DBE)	<input type="checkbox"/> Underutilized DBE (UDBE)

Task Manager: William Stawarski	Contract Manager: William Stawarski
---------------------------------	-------------------------------------

 Task Manager Signature	Date <u>8/5/10</u>	Contract Manager Signature	Date
 Chief Financial Officer Signature	Date <u>8/5/10</u>		

AMENDMENT NO. 1
CONTRACT NO. C08003
AGREEMENT BETWEEN
SAN BERNARDINO ASSOCIATED GOVERNMENTS
AND
WILLIS

This AMENDMENT No. 1 to SANBAG Contract No. C08003 entered into as of the first day of September in the year of 2010, by and between SAN BERNARDINO ASSOCIATED GOVERNMENTS, a California public agency (hereinafter "SANBAG"), and WILLIS, (hereinafter "CONTRACTOR" or the "Broker").

WITNESSETH

WHEREAS, SANBAG under Contract C08003 desires to avail itself of the experience, sources of information, advice, assistance and facilities available to CONTRACTOR; to have CONTRACTOR undertake certain duties and responsibilities; and to perform certain services as financial advisor on behalf of SANBAG, as provided herein; and

WHEREAS, the PARTIES desire to amend the aforesaid contract to extend the period of performance and to increase the total contract amount;

NOW THEREFORE, the parties hereto do mutually agree to amend Contract No. C08003 as follows:

1. The period of performance for Contract No. C08003 shall be amended to extend the duration of Contract C08003 to December 1, 2012.
2. The cost of Contract No. C08003 shall be increased by \$80,000, for a total contract amount of \$215,000.
3. Except as amended by this amendment, all other provisions of Contract No. C08003 shall remain in full force and effect.

IN WITNESS THEREOF, the parties hereto have caused this Amendment to be executed by their authorized representatives as of the date set forth in the first paragraph of this Amendment.

**SAN BERNARDINO
ASSOCIATED GOVERNMENTS**

WILLIS

By: _____
Brad Mitzelfelt
President

By: _____
Bryan M. Fitzpatrick
Managing Partner

Date: _____

Date: _____

Approved as to Form:

Jean-Rene Basle -
SANBAG Counsel

- San Bernardino County Transportation Commission ■ San Bernardino County Transportation Authority
 ■ San Bernardino County Congestion Management Agency ■ Service Authority for Freeway Emergencies

Minute Action

AGENDA ITEM: 6

Date: September 1, 2010

Subject: Measure I Revenue

Recommendation:* Receive Report on Measure I receipts for Measure I 1990-2010

Background: Sales tax revenue collections for the current Measure I expired in March 2010 with final collections received in June 2010. Cumulative total receipts as of June 30, 2010 were \$1,813,938,567.

Attached is a summary of the current Measure I receipts by quarter and cumulative total since its inception. The quarterly receipts represent sales tax collections from the previous quarter taxable sales. For example, receipts for January-March represent sales tax collections from October-December.

Measure I revenue receipts for fiscal year 2009/2010 decreased by \$14.4 million or 11.85% from the previous fiscal year due to the economic recession.

Measure I revenue for the 2009/2010 fiscal year budget was originally estimated to be \$117.9 million. Actual Measure I receipts for fiscal year 2009/2010 were \$106.8 million. The quarterly collections for April-June 2010 were \$26.4 million in comparison to \$25.8 million for the previous year.

*

Approved
Board of Directors

Date: _____

Moved: _____ Second: _____

In Favor: _____ Opposed: _____ Abstained: _____

Witnessed: _____

<input checked="" type="checkbox"/>	COG	<input checked="" type="checkbox"/>	CTC	<input checked="" type="checkbox"/>	CTA		SAFE		CMA
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Check all that apply

BRD1009c-cac

Attachments:

BRD1009c1-cac

BRD1009c2-cac

BRD1009c3-cac

Financial Impact: Current and future Measure I collections will have an impact on borrowing and delivery of major projects.

Reviewed By: This item was reviewed and received by the Administrative Committee on August 11, 2010.

Responsible Staff: William Stawarski, Chief Financial Officer

Summary of SANBAG Measure I Receipts - Program to Date

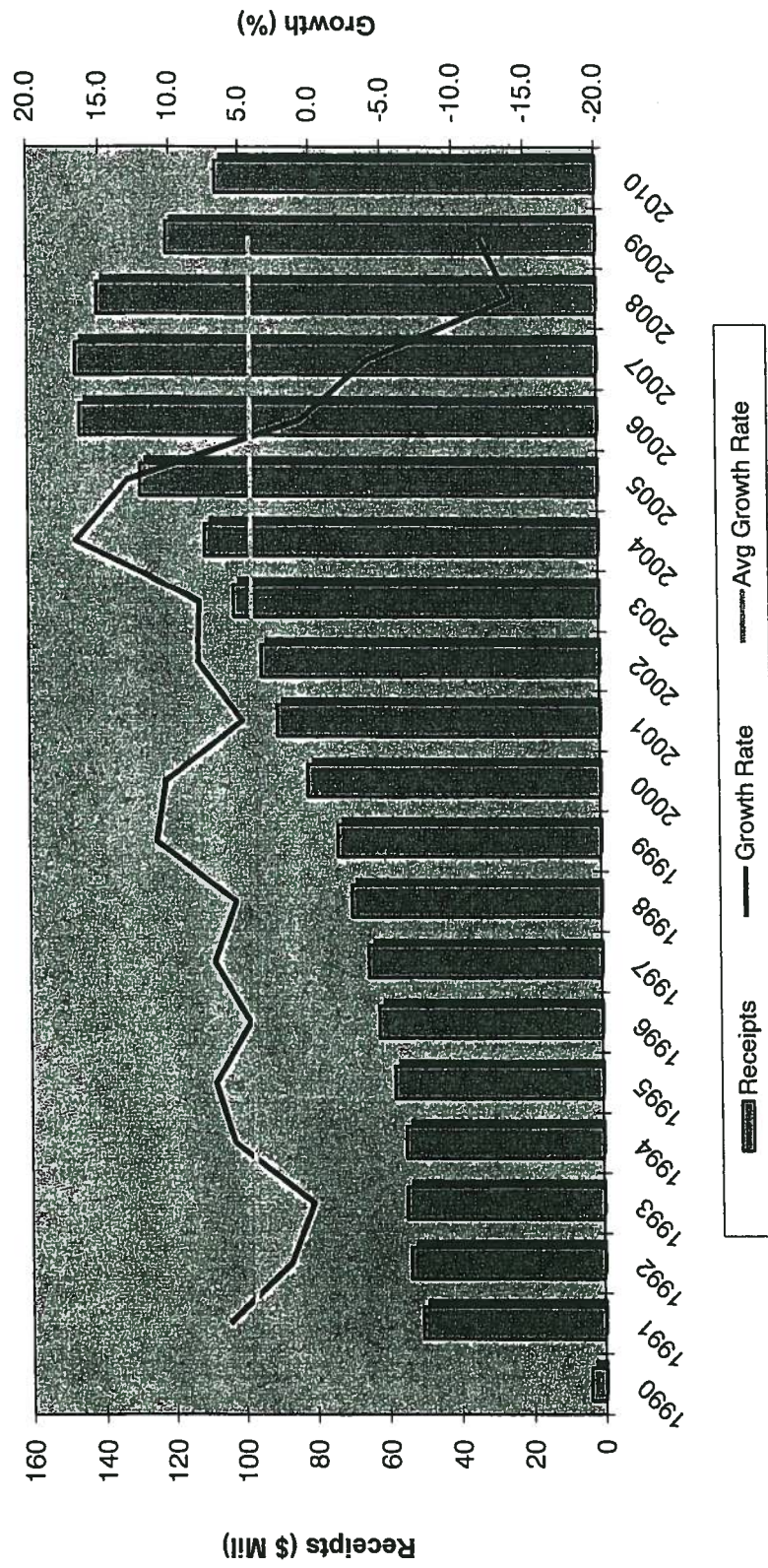
Fiscal Year	July- September	October- December	January- March	April- June	Fiscal Year Total	Cumulative Total To Date
Receipts Prior to FY 1990/1991						\$4,125,778
Fiscal Year 1990/91	11,694,216	13,253,537	13,308,816	12,398,068	50,654,637	\$54,780,415
Fiscal Year 1991/92	12,989,297	13,860,186	14,037,623	12,897,219	53,784,325	\$108,564,740
% Increase Over 90/91	11.07%	4.58%	5.48%	4.03%	6.18%	
Fiscal Year 1992/93	14,322,191	13,757,064	13,595,748	13,072,609	54,747,612	\$163,312,352
% Increase Over 91/92	10.26%	-0.74%	-3.15%	1.36%	1.79%	
Fiscal Year 1993/94	13,675,785	13,960,957	13,853,502	13,352,206	54,842,450	\$218,154,802
% Increase Over 92/93	-4.51%	1.48%	1.90%	2.14%	0.17%	
Fiscal Year 1994/95	14,111,381	14,672,672	15,389,457	13,786,993	57,960,503	\$276,115,305
% Increase Over 93/94	3.19%	5.10%	11.09%	3.26%	5.69%	
Fiscal Year 1995/96	15,497,128	15,461,874	15,661,731	15,416,635	62,037,368	\$338,152,673
% Increase Over 94/95	9.82%	5.38%	1.77%	11.82%	7.03%	
Fiscal Year 1996/97	15,911,748	15,922,724	17,136,362	15,875,921	64,846,755	\$402,999,428
% Increase Over 95/96	2.68%	2.98%	9.42%	2.98%	4.53%	
Fiscal Year 1997/98	17,093,628	17,131,536	18,487,479	16,707,800	69,420,443	\$472,419,871
% Increase Over 96/97	7.43%	7.59%	7.88%	5.24%	7.05%	
Fiscal Year 1998/99	17,809,667	18,707,481	18,359,513	18,367,306.21	73,243,968	\$545,663,838
% Increase Over 97/98	4.19%	9.20%	-0.69%	9.93%	5.51%	
Fiscal Year 1999/2000	19,895,554	19,476,386	21,677,510	20,386,548	81,435,998	\$627,099,837
% Increase Over 98/99	11.71%	4.11%	18.07%	10.99%	11.18%	
Fiscal Year 2000/2001	21,954,344	23,038,016	22,728,229	22,266,392	89,986,982	\$717,086,818
% Increase Over 99/00	10.35%	18.29%	4.85%	9.22%	10.50%	
Fiscal Year 2001/2002	23,148,536	23,913,766	24,265,400	23,130,264	94,457,965	\$811,544,784
% Increase Over 00/01	5.44%	3.80%	6.76%	3.88%	4.97%	
Fiscal Year 2002/2003	24,290,692	26,740,547	25,501,345	25,618,125	102,150,709	\$913,695,493
% Increase Over 01/02	4.93%	11.82%	5.09%	10.76%	8.14%	
Fiscal Year 2003/2004	26,423,914	27,772,164	27,825,658	28,329,546	110,351,283	\$1,024,046,775
% Increase Over 02/03	8.78%	3.86%	9.11%	10.58%	8.03%	
Fiscal Year 2004/2005	31,427,542	31,888,708	33,685,113	31,791,981	128,793,344	\$1,152,840,119
% Increase Over 03/04	18.94%	14.82%	21.06%	12.22%	16.71%	
Fiscal Year 2005/2006	35,206,940	38,420,012	37,006,506	35,047,331	145,680,790	\$1,298,520,909
% Increase Over 04/05	12.03%	20.48%	9.86%	10.24%	13.11%	
Fiscal Year 2006/2007	37,702,174	39,367,420	34,782,181	34,899,517	146,751,291	\$1,445,272,200
% Increase Over 05/06	7.09%	2.47%	-6.01%	-0.42%	0.73%	
Fiscal Year 2007/2008	37,279,235	36,106,832	34,172,721	33,243,262	140,802,050	\$1,586,074,250
% Increase Over 06/07	-1.12%	-8.28%	-1.75%	-4.75%	-4.05%	
Fiscal Year 2008/2009	34,203,118	32,404,049	28,695,612	25,807,074	121,109,853	\$1,707,184,103
% Increase Over 07/08	-8.25%	-10.26%	-16.03%	-22.37%	-13.99%	
Fiscal Year 2009/2010	26,224,529	26,836,561	27,310,563	26,382,812	106,754,464	\$1,813,938,567
% Increase Over 08/09	-23.33%	-17.18%	-4.83%	2.23%	-11.85%	

Interesting Statistics:

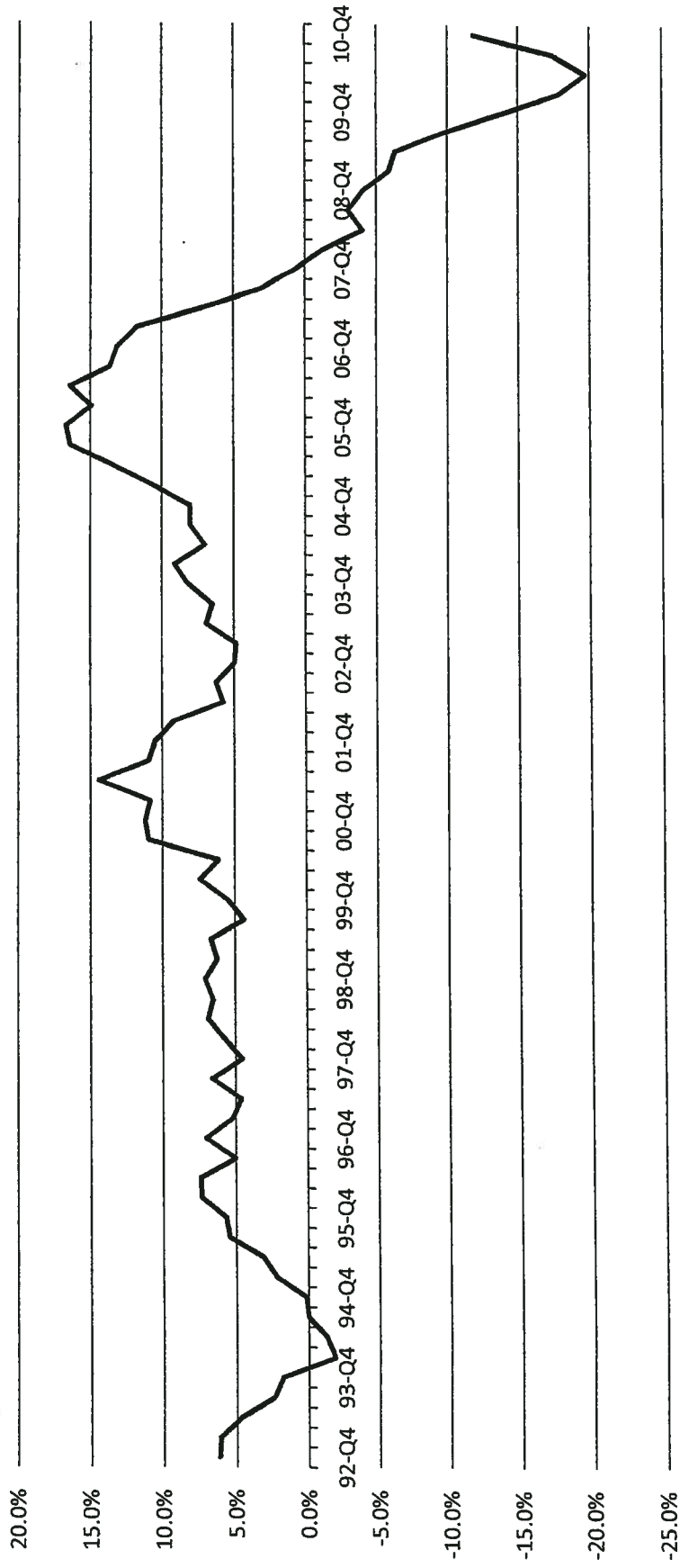
Average annual growth since FY 1990/91 (20 FYs): 4.07%		
Lowest Growth Yr-FY 08/09: -13.99%	Highest Growth Yr-FY 04/05: 16.71%	Low-Q1 in 90/91: \$11,694,216
Lowest Growth Period 1st Quarter FY 09/10: -23.33%	Highest Growth Period 3rd Quarter FY 04/05: 21.06%	High-Q2 in 06/07: \$39,367,420

BRD1009c1-cac

Measure I Over Time



Measure I Year-Over-Year Growth



- San Bernardino County Transportation Commission ■ San Bernardino County Transportation Authority
 ■ San Bernardino County Congestion Management Agency ■ Service Authority for Freeway Emergencies

Minute Action

AGENDA ITEM: 7

Date: September 1, 2010

Subject: Independent Taxpayer Oversight Committee (ITOC) Selection Process Update

Recommendation:* Approve the modification to the Independent Taxpayer Oversight Committee (ITOC) selection schedule.

Background: When the voters approved Measure I there was a specific provision that required the formation of an Independent Taxpayer Oversight Committee (ITOC).

On June 2, 2010, the Board of Directors approved a process and schedule for selecting the ITOC members. The Board also authorized a subcommittee of the Administrative Committee (President Mitzelfelt, Vice President Cortes, Board Member Leonard, Board Member Morris, and Board Member Yates) to screen the applications, conduct interviews and recommend ITOC members to the Board of Directors.

During the initial recruitment phase, only six candidates applied for the five positions on the ITOC. The Subcommittee felt that it was important to try and get more applicants for the ITOC. In order to allow more time to solicit applicants and provide time to schedule interviews it became necessary to alter the original ITOC selection schedule. Because of this delay, five additional applications were received and the subcommittee had a total of 11 applications to consider.

*Approved
Board of Directors*

Date: _____

Moved:

Second:

In Favor:

Opposed:

Abstained:

Witnessed: _____

COG		CTC		CTA	X	SAFE		CMA	
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Check all that apply.

BRD1009e-DAB

The Subcommittee screened the applications and interviews for nine of these candidates have been scheduled for September 1, 2010. Rather than making recommendations to the Board of Directors at the September 1, 2010 Board meeting, the Subcommittee will make recommendations to the Board at the October 6, 2010 Board meeting.

Financial Impact: This item has no direct financial impact.

Reviewed By: This item was reviewed by the Administrative Committee on August 11, 2010 and unanimously recommended for approval.

Responsible Staff: Duane A. Baker, Director of Management Services

- San Bernardino County Transportation Commission ■ San Bernardino County Transportation Authority
 ■ San Bernardino County Congestion Management Agency ■ Service Authority for Freeway Emergencies

Minute Action

AGENDA ITEM: 8

Date: September 1, 2010

Subject: Disadvantaged Business Enterprise (DBE) Annual Goal Preparation and Additional DBE Services

Recommendation:* Approve C10193 with GCAP Services, Inc. for Disadvantaged Business Enterprise (DBE) Annual Goal Preparation and Additional DBE Services in the amount of \$25,000 with a contingency amount of \$2,500 for a total not-to-exceed contract amount of \$27,500.

Background: On March 4, 2010, RFP 10193 for Consulting Services related to the SANBAG Disadvantaged Business Enterprise (DBE) Program was circulated and three (3) proposals from qualified vendors were received.

A selection panel reviewed the three proposals for demonstrated competence and professional qualifications necessary for the satisfactory performance of the services at a fair and reasonable price to SANBAG. The selection panel consisted of representatives of SANBAG and the County of San Bernardino.

The selection took into consideration prior experience of the firm and/or representatives, understanding of work to be completed, knowledge of the working environmental and particular skills and expertise of the firm and/or

Approved
Board of Directors

Date: _____

Moved: _____ *Second:* _____

In Favor: _____ *Opposed:* _____ *Abstained:* _____

Witnessed: _____

X	COG		CTC		CTA		SAFE		CMA
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Check all that apply

BRD1009a-dab

Attachment:

C10193

representatives proposed for the function. The selection panel unanimously recommended the selection of GCAP Services, Inc. of Costa Mesa, California.

Staff has negotiated the contract with GCAP Services, Inc. and recommends approval of Contract C10193 (Attachment 1) for Disadvantaged Business Enterprise Goals and Other Services with a not to exceed amount of \$25,000, and a contingency amount of \$2,500, for a total not to exceed contract amount of \$27,500. The contract also contains an option to extend the contract for a three year period.

Financial Impact: This item is consistent with the FY 2010/2011 budget task number ISF11.

Reviewed By: This item was reviewed by the Administrative Committee on August 11, 2010 and unanimously recommended for approval.

Responsible Staff: Duane A. Baker, Director of Management Services

SANBAG Contract No. C10-193
by and between
San Bernardino Associated Governments
and
GCAP Services, Inc.
for

Disadvantaged Business Enterprise (DBE) Annual Goal Preparation and
Additional DBE Services

FOR ACCOUNTING PURPOSES ONLY																												
<input checked="" type="checkbox"/> Payable	Vendor Contract # _____			Retention:		<input checked="" type="checkbox"/> Original																						
<input type="checkbox"/> Receivable	Vendor ID <u>GCAPS</u>			<input type="checkbox"/> Yes ___ % <input checked="" type="checkbox"/> No		<input type="checkbox"/> Amendment																						
<table style="width: 100%; border: none;"> <tr> <td style="width: 35%;">Original Contract: \$ <u>25,000</u></td> <td style="width: 35%;">Previous Amendments \$ <u>0</u></td> <td style="width: 30%;"></td> </tr> <tr> <td></td> <td>Previous Amendments \$ <u>0</u></td> <td></td> </tr> <tr> <td></td> <td>Contingency / Allowance Total:</td> <td></td> </tr> <tr> <td>Contingency / Allowance Amount \$ <u>2,500</u></td> <td>Current Amendment: \$ <u>0</u></td> <td></td> </tr> <tr> <td></td> <td>Current Amendment Contingency / Allowance: \$ <u>0</u></td> <td></td> </tr> </table>								Original Contract: \$ <u>25,000</u>	Previous Amendments \$ <u>0</u>			Previous Amendments \$ <u>0</u>			Contingency / Allowance Total:		Contingency / Allowance Amount \$ <u>2,500</u>	Current Amendment: \$ <u>0</u>			Current Amendment Contingency / Allowance: \$ <u>0</u>							
Original Contract: \$ <u>25,000</u>	Previous Amendments \$ <u>0</u>																											
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	Current Amendment Contingency / Allowance: \$ <u>0</u>																											
Contingency Amount requires specific authorization by Task Manager prior to release.																												
Contract TOTAL ►							\$27,500																					
<p>* Funding sources remain as stated on this document unless and until amended by proper authority. Funding sources are those which are ultimately responsible for the expenditure.</p> <p style="text-align: center;">▼ Include funding allocation for the original contract or the amendment</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">Main Task/Project</th> <th style="width: 10%;">Level 1</th> <th style="width: 10%;">Level 2</th> <th style="width: 10%;">Cost Code/Object</th> <th style="width: 10%;">Grant ID/Supplement</th> <th style="width: 30%;">Funding Sources/ Fund Type (Measure I, STP, CMAQ, etc.)</th> <th style="width: 20%;">Amounts for Contract Total or Current Amendment Amt</th> </tr> </thead> <tbody> <tr> <td><u>0120</u></td> <td>_____</td> <td>_____</td> <td><u>52001</u></td> <td>_____</td> <td><u>Measure Indirect General</u></td> <td style="text-align: center;"><u>\$27,500</u></td> </tr> <tr> <td>_____</td> <td>_____</td> <td>_____</td> <td>_____</td> <td>_____</td> <td>_____</td> <td style="text-align: center;">\$ _____</td> </tr> </tbody> </table>								Main Task/Project	Level 1	Level 2	Cost Code/Object	Grant ID/Supplement	Funding Sources/ Fund Type (Measure I, STP, CMAQ, etc.)	Amounts for Contract Total or Current Amendment Amt	<u>0120</u>	_____	_____	<u>52001</u>	_____	<u>Measure Indirect General</u>	<u>\$27,500</u>	_____	_____	_____	_____	_____	_____	\$ _____
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New Amend. Approval (Board) Date: _____				Amend. Start: _____		Amend. End: _____																						
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CONTRACT MANAGEMENT																												
<p style="text-align: center;">Check all applicable boxes:</p> <div style="display: flex; justify-content: space-between;"> <div> <input type="checkbox"/> Intergovernmental <input checked="" type="checkbox"/> Disadvantaged Business Enterprise (DBE) </div> <div> <input checked="" type="checkbox"/> Private <input type="checkbox"/> Underutilized DBE (UDBE) </div> <div> <input type="checkbox"/> Federal Funds </div> <div> <input type="checkbox"/> State/Local Funds </div> </div>																												
Task Manager: Duane Baker Task Manager Signature				DBE Liaison: Ellen Pollema DBE Liaison Signature																								
 Chief Financial Officer Signature				Date <u>8/17/10</u> <u>8/15/10</u>																								
Date _____				Date <u>8/15/10</u>																								

CONTRACT NO: C10193

EFFECTIVE DATE: September 1, 2010

by and between

San Bernardino Associated Governments

and

GCAP Services, Inc.

for

**Disadvantaged Business Enterprise (DBE) Annual Goal Preparation
and
Additional DBE Services**

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CONTRACT NO. C10193

FOR

**Disadvantaged Business Enterprise (DBE) Annual Goal Preparation
and Additional DBE Services**

This Contract entered into this _____, 2010, by the firm of GCAP Services, Inc. (hereinafter called CONSULTANT) whose address is:

3525 Hyland Avenue
Suite 260
Costa Mesa, California 92626

and San Bernardino Associated Governments (hereinafter called SANBAG) whose address is:

1170 W. 3rd Street, Second Floor
San Bernardino, California 92410

Whereas, SANBAG desires CONSULTANT to perform certain technical services as hereinafter described and CONSULTANT desires to do so for the compensation and in accordance with the terms and conditions set forth herein.

NOW, THEREFORE, the parties hereto agree as follows:

Article 1 Description of Services

Pursuant to Attachment "A", herein referred to as "Scope of Work" and by this reference is incorporated into this Agreement, CONSULTANT agrees to perform all services set forth in the Scope of Work in accordance with the standards which are generally accepted in the State of California, in accordance with the terms and conditions expressed herein and in the sequence, time, and manner defined therein. The word "Services," as used herein, includes without limitation, the performance, fulfillment and discharge by CONSULTANT of all obligations, duties, tasks, and services imposed upon or assumed by CONSULTANT hereunder; and the Services performed hereunder shall be completed to the satisfaction of SANBAG, with their satisfaction being based on prevailing construction management standards.

Article 2 Performance Schedule and Force Majeure

- 2.1 The period of performance by CONSULTANT under this Contract shall commence on September 1, 2010 and shall continue in effect through August 31, 2011, or until terminated or canceled as hereinafter directed, or

unless extended by direction of SANBAG. At its discretion, SANBAG may offer up to three (3) one-year renewals of this Contract. SANBAG's election to exercise any term extensions shall not diminish its right to terminate this Contract for SANBAG's convenience or CONSULTANT's default as provided elsewhere in this Contract. The maximum term of this Contract including all extensions shall be from September 1, 2010, through August 31, 2014, which encompasses the initial term and the three option terms.

Article 3 Contract Price and Cost Principles

- 3.1 Total compensation to CONSULTANT for full and complete performance of Services, compliance with all the terms and conditions of this Contract, payment by CONSULTANT of all obligations incurred in, or application to CONSULTANT'S performance of Services, and for which CONSULTANT shall furnish all personnel, facilities, equipment, materials, supplies, and services (except as may be explicitly set forth in this Contract as furnished by SANBAG), shall not exceed \$27,500.
- 3.2 Services to be provided under terms of this Contract are to be provided on an as needed basis and compensated for as set forth in Attachment "B" which is incorporated herein by reference. CONSULTANT'S fee for services is included in the total estimated Contract cost, as agreed upon, and noted in Attachment "B."
- 3.3 Any Services provided by the CONSULTANT not specifically covered by the Scope of Services (Attachment "A") shall not be compensated without prior written authorization from SANBAG. It shall be CONSULTANT's responsibility to recognize and notify SANBAG when services not covered by the Scope of Services have been requested or are required.
- 3.4 CONSULTANT's rates will be fixed, as set forth in Attachment "B" for the duration of this Contract. The fixed rate will not be subject to adjustment.
- 3.5 The cost principles set forth in Part 31 of the Federal Acquisition Regulations System as constituted on the effective date of this Contract shall be utilized to determine allowableness of costs under this Contract and may be modified from time to time by amendment of the Contract.
 - 3.5.1 The CONSULTANT agrees to comply with Federal procedures in accordance with 49 CFR, part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.

- 3.5.2 Any costs for which payment has been made to CONSULTANT that are determined by subsequent audit to be unallowable under 48 CFR, Federal Acquisition Regulations System, Chapter 1, Part 31 et seq., or 49 CFR, Part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments are subject to repayment by CONSULTANT to SANBAG.
- 3.5.3 Any subcontract, entered into as a result of this Contract shall contain all of the provisions of this Section 3.5.
- 3.6 At the discretion of SANBAG, individual task orders will be issued for any or all portions of work under the Contract. Approved task orders will indicate the start and end dates for performance, the approved not-to-exceed budget amount, the approved scope of work for each task(s) and approved staffing. The Consultant will be responsible for managing time, budget and scope under an approved task order and shall notify SANBAG of any changes prior to performing any work outside the terms established in the task order.
- 3.7 There will be no cost increases or escalation adjustment at any time throughout the duration of the Contract.

Article 4 Availability of Funds

This Contract is awarded on the contingency of availability of funds. The obligation of SANBAG is conditioned upon the availability of funds, which are allocated and available for the payment of such an obligation. If funds are not allocated and available for the continuance of Services performed by CONSULTANT, Services directly or indirectly involved may be suspended or terminated by SANBAG at the end of the period for which funds are available. When SANBAG becomes aware that any portion of services, which will or may be affected by a shortage of funds, it will immediately so notify CONSULTANT. Nothing herein shall relieve SANBAG from its obligation to compensate CONSULTANT for Services performed pursuant to this Contract. No penalty shall accrue to SANBAG in the event this provision is exercised.

Article 5 Taxes, Duties, Fees

Except to the extent expressly provided elsewhere in this Contract, CONSULTANT shall pay when due, and the compensations set forth in "Article 3" shall be inclusive of all a) local, municipal, state, and federal sales and use taxes, b) excise taxes, c) taxes on personal property owned by CONSULTANT, and d) all other governmental fees and taxes or charges of whatever nature applicable to CONSULTANT to enable it to conduct business.

Article 6 Invoicing and Payments

- 6.1 Except to the extent expressly stated otherwise elsewhere in this Contract, the compensation of CONSULTANT as provided herein shall be payable in monthly payments, thirty (30) calendar days after receipt by SANBAG of an invoice prepared in accordance with instructions below.
- 6.2 CONSULTANT shall prepare all invoices in a form satisfactory to and approved by SANBAG and it shall be accompanied by documentation supporting each element of measurement and/or cost. Any invoice submitted which fails to comply with the terms of this Contract, including the requirements of form and documentation, may be returned to CONSULTANT. Any costs incurred by CONSULTANT in connection with the resubmission of a proper invoice shall be at CONSULTANT'S sole expense.
- 6.3 CONSULTANT shall include a statement and release with each invoice, satisfactory to SANBAG, that CONSULTANT has fully performed Services pursuant to this Contract for the period covered, and that all claims of CONSULTANT and its subcontractors for Services during the period will be satisfied upon the making of such payment. SANBAG shall not be obligated to make payments to CONSULTANT until CONSULTANT furnishes such statement and release.

Article 7 Documentation and Right of Audit

- 7.1 CONSULTANT shall keep and maintain all books, papers, records, accounting records including but not limited to all direct and indirect costs allocated to services, files, accounts, reports, cost proposals with backup data, and all other material relating to Services. Consultant shall upon request, make all such materials available to SANBAG or its designee at any reasonable time during the term of the contract and for three (3) years from the date of final payment to CONSULTANT, for auditing, inspection and copying. CONSULTANT shall insert in each of its subcontracts the above requirement.
- 7.2 SANBAG, the State, the state auditor, FHWA or any duly authorized representative of the Federal Government having jurisdiction under Federal laws or regulations (including the basis of Federal funding in whole or in part) shall have access to any books, records, any documents of the Consultant that are pertinent to the contract for audits, examinations, excerpts, and transactions, and copies thereof shall be furnished if requested.
- 7.3 The cost proposal submitted by the CONSULTANT for this Contract may be subject to a post-award audit. After any post award audit recommendations are received, the Cost Proposal shall be adjusted to

conform to audit findings. CONSULTANT agrees that individual items of cost identified in the audit report may be incorporated into the agreement at SANBAG's sole discretion. Refusal by CONSULTANT to incorporate the post award audit findings will be considered a breach of the contract terms and conditions and cause for termination of this Contract.

Article 8 Responsibility of the CONSULTANT

The CONSULTANT shall be responsible for the professional quality, technical accuracy, and the coordination of all calculations, notes and other services furnished by the CONSULTANT under terms of this Contract.

Article 9 Reporting Requirements/Deliverables

All Reports and deliverables shall be submitted in accordance with Attachment "A".

Article 10 Permits and Licenses

CONSULTANT shall (without additional compensation) keep current all governmental permits, certificates and licenses (including professional licenses) necessary for CONSULTANT to perform Services.

Article 11 Technical Direction

11.1 Performance of Services under this Contract shall be subject to the technical direction of the SANBAG DBE Liaison, or his designee, as identified in Attachment "A", Scope of Services, attached to this Contract. The SANBAG DBE Liaison will identify his designee, in writing to CONSULTANT, with the notice to proceed and subsequently with any changes during the contract period. The term "Technical Direction" is defined to include, without limitation:

- 11.1.1 Directions to the CONSULTANT, which redirect the contract effort, shift work emphasis between work areas or tasks, require pursuit of certain lines of inquiry, fill in details or otherwise serve to accomplish the contractual Scope of Work.
- 11.1.2 Provision of written information to the CONSULTANT, which assists in the interpretation of reports, or technical portions of service description.
- 11.1.3 Review and, where required by the contract, approval of technical reports, specifications and technical information to be delivered by the CONSULTANT to SANBAG under the Contract.

- 11.2 Technical direction must be within the Scope of Work in the Contract. The SANBAG DBE Liaison or designee does not have the authority to, and may not, issue any technical direction which:
- 11.2.1 Constitutes an assignment of additional Services outside the Scope of Work;
 - 11.2.2 Constitutes a change as defined in the contract clause entitled "Changes";
 - 11.2.3 In any manner causes an increase or decrease in the Contract's estimated cost or price or the time required for contract performance;
 - 11.2.4 Changes any of the expressed terms, conditions or specifications of the Contract; or
 - 11.2.5 Interferes with the CONSULTANT'S right to perform the terms and conditions of the Contract.
 - 11.2.6 A failure of the CONSULTANT and DBE Liaison to agree that the technical direction is within the scope of the contract, or a failure to agree upon the contract action to be taken with respect thereto shall be subject to the provisions of the clause entitled "Disputes".
- 11.3 All technical directions shall be issued in writing by the SANBAG DBE Liaison or designee.
- 11.4 The CONSULTANT shall proceed promptly with the performance of technical directions duly issued by the SANBAG DBE Liaison or designee, in the manner prescribed by this article and within his authority under the provisions of this clause. If, in the opinion of the CONSULTANT, any instruction or direction by the SANBAG DBE Liaison or his designee, falls within one of the categories defined in 11.2.1 through 11.2.5 above, the CONSULTANT shall not proceed but shall notify the DBE Liaison in writing within five (5) working days after receipt of any such instruction or direction and shall request the DBE Liaison to modify the Contract accordingly. Upon receiving the notification from the CONSULTANT, the DBE Liaison shall:
- 11.4.1 Advise the CONSULTANT in writing within thirty (30) days after receipt of the CONSULTANT'S letter that the technical direction is or is not within the scope of the Contract "Changes" clause of the contract;
 - 11.4.2 Advise the CONSULTANT within a reasonable time that

SANBAG will or will not issue a written amendment.

Article 12 Changes

- 12.1 The Services shall be subject to changes by additions, deletions, or revisions thereto by SANBAG. CONSULTANT will be advised of any such changes by written notification from SANBAG describing the change.
- 12.2 Promptly after such written notification of change is given to CONSULTANT by SANBAG, CONSULTANT and SANBAG will attempt to negotiate a mutually agreeable change in compensation or time of performance and amend the Contract accordingly. If CONSULTANT and SANBAG are unable to agree on the compensation change, the CONSULTANT may make a claim per Article 20, Claims. CONSULTANT shall have no obligation to perform the changes, and shall not be entitled to compensation for Services performed on such changes, prior to the execution of the amendment relating to the changes required by SANBAG.
- 12.3 CONSULTANT shall not suspend performance of this Contract during the negotiation of any amendment, except as may be directed by SANBAG. CONSULTANT shall perform all changes in accordance with all the terms of this Contract.

Article 13 Federal and State Mandatory Provisions

13.1 Equal Employment Opportunity/Nondiscrimination

- 13.1.1 In connection with the execution of this contract, the CONSULTANT shall not discriminate directly or indirectly against any employee or applicant for employment because of race, color, religion, sex, age, or national origin. The CONSULTANT shall take action to insure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, age, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selections of training, including apprenticeship. The CONSULTANT agrees to post in conspicuous places available to employees and applicants for employment notices setting forth the provisions of the Equal Opportunity clause.
- 13.1.2 The CONSULTANT shall, in all solicitations or advertisements for employees placed by or on behalf of the

CONSULTANT, state that all qualified applications shall receive consideration for employment without regard to race, color, religion, sex, age, or national origin.

- 13.1.3 The CONSULTANT shall send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice advising the labor union or workers representative of the CONSULTANT's commitments under this Equal Opportunity clause, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- 13.1.4 The CONSULTANT shall comply with all provisions of Executive Order No 11246 as amended by Executive Order 11375, and as supplemented in Department of Labor regulations (41 CFR, Part 60), and shall permit access to its books, records, and accounts by SANBAG and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
- 13.1.5 In the event of the CONSULTANT'S noncompliance with the Equal Opportunity clause of this contract or any of the said rules, regulations, or orders, this contract may be canceled, terminated, or suspended, in whole or in part, and the CONSULTANT may be declared ineligible for further government contracts in accordance with procedures authorized in Executive Order No. 11246 as amended by Executive Order 11375, and as supplemented in Department of Labor Regulations (41 CFR, Part 60).
- 13.1.6 The CONSULTANT shall include the provisions of paragraphs (13.1.1) through (13.1.6) of this Section in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 112346 as amended by Executive Order 11375, and as supplemented in Department of Labor regulations (41 CFR, Part 60), so that such provisions will be binding upon each subcontract or vendor. The CONSULTANT shall take such action with respect to any subcontract or purchase order as SANBAG may direct as a means of enforcing such provisions, including sanctions for noncompliance. Provided, however, that in the event the CONSULTANT becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by SANBAG, the CONSULTANT may request SANBAG to enter into such litigation to protect the interests of SANBAG.

- 13.1.7 CONSULTANT will permit access to the records of employment, employment advertisements, application forms, and other pertinent data and records by SANBAG for the purposes of investigation to ascertain compliance with the Fair Employment section of this Agreement.

13.2 Handicapped Workers

- 13.2.1 The CONSULTANT will not discriminate against any employee or applicant for employment because of physical or mental handicap in regard to any position for which the employee or applicant for employment is qualified. The CONSULTANT agrees to take action to employ, advance in employment and otherwise treat qualified handicapped individuals without discrimination based upon their physical or mental handicap in all employment practices such as the following: employment, upgrading, demotion or transfer, recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

Article 14 Conflict of Interest

- 14.1 The CONSULTANT agrees that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Contract. The CONSULTANT further agrees that in the performance of this Contract, no person having any such interest shall be employed.
- 14.2 No portion of the funds received by the CONSULTANT under this Contract shall be used for political activity or to further the election or defeat of any candidate for public office.

Article 15 Key Personnel

- 15.1 The personnel specified in 15.2 below are considered to be essential to Services being performed hereunder. Prior to diverting any of the specified individuals to other projects, or reallocation of tasks and hours of Services, which are the responsibility of key personnel to other personnel, the CONSULTANT shall notify SANBAG reasonably in advance and shall submit justifications (including proposed substitutions) in sufficient detail to permit evaluation of the import on the project. Diversion or reallocation of key personnel shall be subject to written approval by SANBAG. SANBAG also reserves the right to approve proposed substitutions for key personnel.

15.2 Key Personnel are:

Edward Salcedo, Executive Project Manager
Laurie Heringer, Project Manager/Analyst
Sarah Davis, Analyst
Rene Salcedo, Analyst

Article 16 Representations

CONSULTANT agrees with SANBAG that services supplied by CONSULTANT in performance of this Contract shall be supplied by personnel who are careful, skilled, experienced and competent in their respective trades or professions. CONSULTANT agrees that he is supplying professional services, findings, and/or recommendations in the performance of this Contract and agrees with SANBAG that the same shall conform to the professional business principles and standards, which are generally accepted in the State of California.

Article 17 Proprietary Rights/Confidentiality

- 17.1 If, as a part of this Contract, CONSULTANT is required to produce Products, then CONSULTANT, if requested by SANBAG, shall deliver to SANBAG the original of all such products, which shall become the sole property of SANBAG.
- 17.2 All materials, documents, data or information obtained from SANBAG's data files or any SANBAG medium furnished to CONSULTANT in the performance of this Contract will at all times remain the property of SANBAG. Such data or information may not be used or copied for direct or indirect use outside of this Project by CONSULTANT without the express written consent of SANBAG.
- 17.3 Except as reasonably necessary for the performance of Services, CONSULTANT and its employees and agents shall hold in confidence the materials and information referred to in this Article 17, Proprietary Rights/Confidentiality, which are produced by CONSULTANT for SANBAG in the performance and completion of CONSULTANT'S services under the Contract, until released in writing by SANBAG, except to the extent such materials and information become a part of public domain information through no fault of CONSULTANT, or its employees or agents.
- 17.4 CONSULTANT shall not use SANBAG'S name or photographs of the Project in any professional publication, magazine, trade paper, newspaper, seminar or other medium without first receiving the express written consent of SANBAG.

- 17.5 All press releases relating to the Project or this Contract, including graphic display information to be published in newspapers, magazines, and other publications, are to be made only by SANBAG unless otherwise agreed to by CONSULTANT and SANBAG.
- 17.6 CONSULTANT agrees that it, and its employees, agents, and subcontractors will hold confidential and not divulge to third parties without the prior written consent of SANBAG, any information obtained by CONSULTANT from or through SANBAG in connection with CONSULTANT's performance of this Contract, unless (a) the information was known to CONSULTANT prior to obtaining same from SANBAG pursuant to a prior contract; or (b) the information was at the time of disclosure to CONSULTANT, or thereafter becomes part of the public domain, but not as a result of the fault or an unauthorized disclosure of CONSULTANT or its employees, agents, or subcontractors, or (c) the information was obtained by CONSULTANT from a third party who did not receive the same, directly or indirectly, from SANBAG and who had, to CONSULTANT'S knowledge and belief, the right to disclose the same.

Article 18 Terminations

- 18.1 Termination for Convenience. SANBAG shall have the right at any time, with or without cause, to terminate this Contract, in whole or in part, by written notice to CONSULTANT specifying the services to be terminated and the date of termination. On the date of such termination stated in said notice, CONSULTANT shall discontinue performance of services and shall preserve work in progress and completed work, pending SANBAG'S instruction, and shall turn over such Work in accordance with SANBAG's instructions.
- 18.1.1 CONSULTANT shall deliver to SANBAG, in accordance with SANBAG'S instructions, all products prepared by CONSULTANT or its subcontracts or furnished to CONSULTANT by SANBAG. Upon such delivery, CONSULTANT may then invoice SANBAG for payment in accordance with the terms of this Contract.
- 18.1.2 If CONSULTANT has fully and completely performed all obligations under this Contract up to the date of termination, CONSULTANT shall be entitled to receive from SANBAG as complete and full settlement for such termination a pro rata share of the contract cost and a pro rata share of any fixed fee, for such Services satisfactorily executed to the date of termination.
- 18.1.3 CONSULTANT shall be entitled to receive the actual cost incurred by CONSULTANT to return CONSULTANT's field

tools and equipment, if any, to it or its suppliers' premises, or to turn over Work in progress and Products in accordance with SANBAG's instructions plus the actual cost necessarily incurred in effecting the termination.

- 18.2 Termination for Cause. In the event CONSULTANT shall file a petition in bankruptcy, or shall make a general assignment for the benefit of its creditors, or if a petition in bankruptcy shall be filed against CONSULTANT or a receiver shall be appointed on account of its solvency, or if CONSULTANT shall default in the performance of any express obligation to be performed by it under this Contract and shall fail to immediately correct (or if immediate correction is not possible, shall fail to commence and diligently continue action to correct) such default within ten (10) calendar days following written notice thereof, SANBAG may, without prejudice to any other rights or remedies SANBAG may have, (a) hold in abeyance further payments to CONSULTANT; (b) stop any services of CONSULTANT or its subcontractors related to such failure until such failure is remedied; and/or (c) terminate this Contract by written notice to CONSULTANT specifying the date of termination. In the event of such termination by SANBAG, SANBAG may take possession of the products and finish services by whatever method SANBAG may deem expedient. A waiver by SANBAG of one default of CONSULTANT shall not be considered to be a waiver of any subsequent default of CONSULTANT, nor be deemed to waive, amend, or modify any term of this Contract.

- 18.2.1 In the event of termination CONSULTANT shall deliver to SANBAG all finished and unfinished Products prepared by CONSULTANT or its subcontractors or furnished to CONSULTANT by SANBAG.

- 18.3 All claims for compensation or reimbursement of costs under any of the foregoing provisions shall be supported by documentation submitted to SANBAG, satisfactory in form and content to SANBAG and verified by SANBAG. In no event shall CONSULTANT be entitled to any prospective profits or any damages because of such termination.

Article 21 Insurance

In order to accomplish the indemnification herein provided for, but without limiting the indemnification, CONSULTANT shall secure and maintain throughout the term of the Contract the following types of insurance with limits as shown:

- 21.1 Professional Liability Insurance coverage in an amount not less than

\$1,000,000, per claim and in the aggregate. CONSULTANT shall secure and maintain this Insurance throughout the term of this Contract and for a minimum of three (3) years after completion and acceptance of services by SANBAG.

- 21.2 Workers' Compensation Insurance or state-approved self-insurance program in an amount and form to meet all applicable requirements of the Labor Code of the State of California, including Employers Liability with \$250,000 limits, covering all persons providing services on behalf of CONSULTANT.
- 21.3 Comprehensive General Liability Insurance or Commercial General Liability Insurance, including coverage for Premises and Operations, Contractual Liability, Personal Injury Liability, Broad-Form Property Damage and Independent Contractors' Liability, in an amount of not less than \$1,000,000 per occurrence, combined single limit, and \$3,000,000 in the aggregate written on an occurrence form.
- 21.4 Comprehensive Automobile Liability Coverage, including owned, non-owned and hired automobiles, in an amount of not less than \$1,000,000 per occurrence, combined single limit, and in the aggregate written on an occurrence form.
- 21.5 Proof of Coverage. CONSULTANT shall immediately furnish certificates of insurance to SANBAG evidencing the insurance coverage required above, prior to the commencement of performance of services hereunder, and such certificates shall include SANBAG as additional insured on Comprehensive General Liability Insurance or Commercial General Liability Insurance and auto insurance. The certificates shall provide that such insurance shall not be terminated without thirty (30) days written notice to SANBAG, and CONSULTANT shall maintain such insurance for the entire term of this Contract including any term extensions.

Article 22 Indemnity

CONSULTANT agrees to indemnify, hold harmless, and defend SANBAG, and their officers, employees (past and present), agents, and representatives from and against:

- 22.1 Any claim, cause of action, liability, loss, cost or expense arising from infringement or improper appropriation or use by SANBAG of trade secrets, proprietary information, know-how, copyright rights or inventions, arising out of the use of methods, processes, designs, information, or other items furnished or communicated to SANBAG by CONSULTANT in connection with performance of Services; and
- 22.2 Any claim, cause of action, liability, loss, cost or expense, on account of

injury to or death of persons or damage to or loss of property to the extent it arises out of or is alleged to arise out of the negligence or willful misconduct of CONSULTANT or its subcontractors, employees, or agents, in the performance of Services, and includes any and all expenses, including reasonable attorneys' fees, incurred by SANBAG for legal action to enforce CONSULTANT'S indemnification obligations hereunder; and

- 22.3 Any and all claims, actions, losses, damages and/or liability arising from CONTRACTOR's negligent acts, errors or omissions and for any costs or expenses incurred by AGENCY on account of any claim therefore, except where such indemnification is prohibited by law.

Article 23 Ownership of Reports and Data

All reports and other data including computer programs developed by CONSULTANT under this Contract shall become the property of SANBAG when prepared, whether delivered to SANBAG or not.

Article 24 Subcontracts

- 24.1 CONSULTANT shall not subcontract performance of all or any portion of Services under this Contract, excepting subcontractors listed in the CONSULTANT'S proposal, without first notifying SANBAG of the intended subcontracting and obtaining SANBAG'S approval in writing of the subcontracting and the subcontractor. The definition of subcontractor and the requirements for subcontractors hereunder shall include all lower-tier subcontracts.
- 24.2 CONSULTANT agrees that any and all subcontractors of CONSULTANT will comply with the terms of this Contract applicable to the portion of Services performed by them. If requested by SANBAG, CONSULTANT shall furnish SANBAG a copy of the proposed subcontract for SANBAG'S approval of the terms and conditions thereof and shall not execute such subcontract until SANBAG has approved such terms and conditions. SANBAG approval shall not be unreasonably withheld.
- 24.3 Approval by SANBAG of any services to be subcontracted and the subcontractor to perform said services will not relieve CONSULTANT of any responsibility or liability in regard to the acceptable and complete performance of said services.

Article 26 Independent Contractor

CONSULTANT is and shall be at all times an independent CONTRACTOR.

Accordingly, all Services provided by CONSULTANT shall be done and performed by CONSULTANT under the sole supervision, direction and control of CONSULTANT. SANBAG shall rely on CONSULTANT for results only, and shall have no right at any time to direct or supervise CONSULTANT or CONSULTANT's employees in the performance of Services or as to the manner, means and methods by which Services are performed. All workers furnished by CONSULTANT pursuant to this Contract, and all representatives of CONSULTANT, shall be and remain the employees or agents of CONSULTANT or of CONSULTANT's subcontractor(s) at all times, and shall not at any time or for any purpose whatsoever be considered employees or agents of SANBAG.

Article 27 Precedence

27.1 The Contract documents consist of these General Terms and Conditions and Attachment "A", Scope of Services, Attachment "B" Billing Rate Schedule, CONSULTANT's Statement of Qualifications and SANBAG's Request for Qualifications are incorporated herein by reference.

27.2 The following order of precedence shall apply:

27.2.1 This Contract, its General Terms and Conditions, and Attachments

27.2.2 SANBAG's Request For Proposal (RFP 10193

27.2.3 CONSUKLTANT's proposal dated (insert date)

27.3 In the event of an express conflict between the documents listed in this provision, or between any other documents which are a part of the Contract, CONSULTANT shall notify SANBAG immediately and shall comply with SANBAG's resolution of the conflict.

Article 28 Communications and Notices

28.1 Any and all notices permitted or required to be given hereunder shall be deemed duly given (a) upon actual delivery, if delivery is personally made; or (b) upon delivery into the United States Mail if delivery is by postage paid certified mail (return receipt requested), fax or private courier. Each such notice shall be sent to the respective party at the address indicated below or to any other address as the respective parties may designate from time to time by a notice given in accordance with this Article 28. A change in address may be made by notifying the other party in writing.

For CONSULTANT:

Name: GCAP Services, Inc.

Address: 3525 Hyland Avenue, Suite 260
Costa Mesa, California 92626

Attn: Mr. Edward Salcedo
Phone: (714) 800-1795
Fax: (714) 800-1640

For SANBAG:

Name: San Bernardino Associated Governments
Address: 1170 W. 3rd Street, Second Floor
San Bernardino, California 92410

Attn: Duane Baker
Phone: (909) 884-8276
Fax: (909) 889-8611

- 28.2 All communications pursuant to or in connection with this Contract shall be marked with SANBAG's contract number.

Article 29 Disputes

- 29.1 In the event any dispute arises between the Parties hereto under or in connection with this Contract (including but not limited to disputes over payments, reimbursements, costs, expenses, services to be performed, Scope of Services and/or time of performance), the dispute shall be decided by the DBE Liaison of SANBAG or his duly authorized representative within thirty (30) calendar days after notice thereof in writing which shall include a particular statement of the grounds of the dispute. If CONSULTANT does not agree with the decision, then CONSULTANT shall have thirty (30) calendar days after receipt of the decision in which to file a written appeal with the Executive Director of SANBAG. If the Executive Director fails to resolve the dispute in a manner acceptable to CONSULTANT, then such appeal shall be decided by a court of competent jurisdiction.
- 29.2 During resolution of the dispute, CONSULTANT shall proceed with performance of this Contract with due diligence.

Article 30 Gratuities

CONSULTANT, its employees, agents, or representatives shall not offer or give to an officer, official, or employee of SANBAG gifts, entertainment, payments, loans, or other gratuities to influence the award of a contract or obtain favorable treatment under a contract.

Article 31 Review and Acceptance

- 31.1 All Services performed by CONSULTANT shall be subject to periodic review and approval by the representatives of SANBAG at any and all places where such performance may be carried on. Failure of SANBAG to make such review, or to discover defective work, shall not prejudice the rights of SANBAG at the time of final acceptance. All services performed by CONSULTANT shall be subject to periodic and final review and acceptance by SANBAG upon completion of all services.
- 31.2 When services have been completed and the products have been delivered to SANBAG, CONSULTANT shall so advise SANBAG in writing. SANBAG acceptance shall be based on those provisions set forth in the Scope of Services, Attachment "A" within thirty (30) working days of receipt of such notice, SANBAG shall give CONSULTANT written notice of final acceptance or any services and Work which have yet to be completed or which are unsatisfactory.
- 31.3 In the event SANBAG does not accept services or products as submitted then upon their subsequent completion, CONSULTANT shall again so notify SANBAG, and within the above specified time period SANBAG shall give CONSULTANT written notice of final acceptance or notice that the specified unfinished services or products have not yet been completed or are still not satisfactory. In the latter instance, the foregoing procedures with respect to such specified unfinished services or products would be repeated. Final acceptance shall not constitute a waiver or abandonment of any rights or remedies available to SANBAG under this Contract or by law.

Article 32 Safety

CONSULTANT shall comply with all local, municipal, state, and federal safety and health laws, orders and regulations applicable to CONSULTANT'S operations in the performance of services hereunder.

Article 33 Assignment

CONSULTANT shall not assign this Contract wholly or in part, voluntarily, by operation of law, or otherwise without first obtaining the written consent of SANBAG. Subject to the foregoing, the provisions of this Contract shall extend to the benefit of and be binding upon the successors and assigns of the parties hereto.

Article 34 Amendments

This Contract may only be changed by a written amendment duly executed by CONSULTANT and SANBAG except, that changes to the Contract to implement administrative changes such as approved changes in key personnel may be made by administrative amendment signed by CONSULTANT and SANBAG's

Contracts Manager or other duly authorized representative.

Article 35 Governing Law and Venue

35.1 This Contract shall be subject to the law and jurisdiction of the State of California. The parties acknowledge and agree that this agreement was entered into and intended to be performed in whole or substantial part in San Bernardino County, California. The parties agree that the venue for any action or claim brought by any party to this agreement will be the Central District of San Bernardino County. Each party hereby waives any law or rule of court, which would allow them to request or demand a change of venue. If any action or claim concerning this agreement is brought by any third party, the parties hereto agree to use their best efforts to obtain a change of venue to the Central District of San Bernardino County.

35.2 CONSULTANT warrants that in the performance of this Contract it shall comply with all applicable federal, state and local laws, statutes and ordinances.

Article 38 Entire Document

38.1 This Contract, including all exhibits and attachments constitute the sole and only agreement governing Services and supersedes any prior representations, understandings, written or oral, between the parties respecting the within subject matter. All previous proposals, offers, and other communications, written or oral, relative to this Contract, are superseded except to the extent that they have been incorporated into this Contract. The invalidity in whole or part of any term or condition of this Contract shall not affect the validity of other terms or conditions.

38.2 No agent, employee or representative of SANBAG has any authority to bind SANBAG to any affirmation, representation or warranty outside of, or in conflict with, the stated terms of this Contract, and CONSULTANT hereby stipulates that it has not relied, and will not rely, on same.

38.3 As this Contract was jointly prepared by both parties, the language in all parts of this Contract will be construed, in all cases, according to its fair meaning, and not for or against either party.

Article 39 Attorney's Fees

If any legal action is instituted to enforce or declare any party's rights hereunder, each party, including the prevailing party, must bear its own costs and attorneys' fees. This paragraph shall not apply to those costs and attorneys' fees directly arising from any third party legal action against a party hereto and payable under Article 22, Indemnity.

IN WITNESS WHEREOF, the parties hereto have executed this Contract on the day and year below written, but effective as of the day and year first set forth above.

GCAP Services, Inc.

By: _____
Edward Salcedo
President

Date: _____

San Bernardino Associated Governments

By: _____
Brad Mitzelfelt
President, Board of Directors

Date: _____

APPROVED AS TO FORM:

By: _____
Jean-Rene Basle
SANBAG Counsel

ATTACHMENT B- Scope of Work

SERVICES TO BE PROVIDED UNDER C10193:

1. Develop SANBAG's Annual Anticipated DBE Percentage Level (AADPL) for FFY 2010/2011 in accordance with the U. S. Department of Transportation (DOT) DBE Program (Title 49 CFR Part 26) requirements, recently published Race-Conscious DBE Program issued by Caltrans, Local Assistance Procedures Manual requirements, and federally prescribed methodology as follows:

Step One: Determining the Base Figure. Determining the relative availability of Underutilized Disadvantaged Business Enterprises (UDBE) within SANBAG's market area for each affected North American Industry Classification System (NAICS) (work category) and perform the required weighing to establish the Base Figure 2.

Step Two: Adjusting SANBAG's Base Figure. Surveying and analyzing other relevant evidence for full consideration in the adjusting SANBAG's Base Figure; evidence may include but is not limited to the following: current capacity of UDBEs to perform work in SANBAG's DOT-assisted contracting program; past DBE Goal/AADPL Attainment (Participation); and Other Local Agencies' AADPL's and/or Overall Annual DBE Goals.

2. Upon completion of Step 2, assess and determine Race-Conscious and Race-Neutral participation projections, including corresponding rationale toward meeting the local Agency's AADPL.

3. Preparation of all required correspondence necessary for submission to Caltrans and/or other DOT Operating Administrations to facilitate their respective approvals, including Caltrans Exhibit 9-B.

4. Preparation of SANBAG's election regarding "Prompt Payment", as required.

5. Preparation of Staff Board Report and/or Board Resolution as needed.

6. Preparation of new "DBE Race-Conscious Implementation Agreement for Local Agencies (Exhibit 9-A)" to ensure compliance with Caltrans' submittal requirement.

7. Develop SANBAG's Contract Specific UDBE Goal(s) and Determination of Application in accordance with Caltrans' published policy directives.

8. Participation in pre-bid opening workshops providing information on DBE goals and good faith efforts.

9. Review DBE submittal as submitted by low bidder for DBE/UDBE goal attainment or good faith effort finding. Reviews of next low-bidder submittals may be necessary should low-bidder not meet goal or make a sufficient good faith effort.

10. Consultation and training on DBE/UDBE requirements and strategies.

ATTACHMENT 2



COST PROPOSAL

The following informal cost proposal presents a specific cost breakdown for each task with an estimate of the number of hours and the billing rates.

Task	Activity	Estimated # of Hours	Rate per Hour
1	Develop overall AADPL, Step 1 and 2	12	\$75 - \$95
2	Calculate Race-Conscious & Race-Neutral portions and prepare backup documentation	8	\$75
3	Prepare Exhibit 9-B and correspondence to submit for approval	2	\$75 - \$95
4	Prepare SANBAG'S prompt payment election	.25	\$75
5	Prepare Staff Board Report and/or Resolution as needed	1	\$75 - \$95
6	Prepare Exhibit 9-A Implementation Agreement	.50	\$75
7	Calculate contract specific UDBE goals - per contract	2	\$75 - \$95
8	Participate in pre-bid meetings to provide information on DBE goals and good faith efforts - per meeting	2	\$75 - \$150
9	Review UDBE submittal or good faith effort from low bidder or next low bidders if needed - per contract	2 - 6	\$75-\$150
10	Consultation and training on DBE/UDBE requirements and strategies	As requested	\$75-\$150
-	Quality control and project oversight	6	\$150

GCAP will invoice on a monthly basis based upon the established rates and the actual hours expended up to the authorized contract amount.

Billing Rates

Name	Title	Hourly Rate
Ed Salcedo	Executive Project Manager	\$150.00
Laura Herlinger	Project Manager/Analyst	\$95.00
Sarah Davis	Analyst	\$75.00
Rena Salcedo	Analyst	\$75.00

- San Bernardino County Transportation Commission ■ San Bernardino County Transportation Authority
 ■ San Bernardino County Congestion Management Agency ■ Service Authority for Freeway Emergencies

Minute Action

AGENDA ITEM: 9

Date: September 1, 2010

Subject: Invitation for Bid to Repair and Fog-Coat the Exterior of the San Bernardino Santa Fe Depot

Recommendation:* Approve Scope of Work and authorize staff to release the Invitation for Bids C11014 to Repair and Stucco Fog-Coating to the Exterior of the San Bernardino Santa Fe Depot.

Background: In January 2008 the Board approved an agreement with Omnitrans, the designated grantee for Federal Transit Administration funds appropriated to the San Bernardino Valley, establishing SANBAG as a subgrantee for Section 5309 Bus and Bus Facilities funds authorized by SAFETEA-LU for improvements at the San Bernardino Santa Fe Depot. The agreement also establishes SANBAG as the lead agency for projects receiving these grant funds.

In February 2008 the Board approved the release of Invitation for Bids (IFB) C08149 to Repair and Paint the Exterior of the Depot, however, the IFB process was halted at the request of the State Office of Historic Preservation (SHPO) over concerns that painting would create new problems and alter the historic character of the Depot. Additional tests and measures were requested to ensure the repair work proposed was in compliance with the *Secretary of the Interior's Standards for the Treatment of Historic Properties with Guidelines for Preserving, Rehabilitating, Restoring and Reconstructing Historic Buildings*.

Approved
Board of Directors

Date: _____

Moved: _____ Second: _____

In Favor: _____ Opposed: _____ Abstained: _____

Witnessed: _____

X	COG	X	CTC		CTA		SAFE		CMA
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Check all that apply
 BRD1009d-dab
 Attachment:
 BRD1009d1-dab

In January 2010, SANBAG furnished the requested documentation to SHPO and requested permission to proceed with the project. The results of the testing and research showed that the scope of work proposed is within the guidelines set forth by the Standards. Approval to proceed with the project was received from SHPO in March 2010.

A total of \$417,039 of section 5309 funds have been appropriated for the Depot projects. These federal funds will be matched with \$104,260 in Rail Asset Funds for a total grant amount of \$521,299. The grant schedule for this project calls for the release of an Invitation for Bid in August and contract award by November.

The first project for which these grant funds will be used is to repair and stucco fog-coat the exterior of the Depot. The building continues to experience water penetration due to cracks, especially during heavy rains. The attached IFB includes General Terms and Conditions as well as Specific Terms and Conditions in order to address Federal and State procurement requirements. The Scope of Work and Specifications identifies the work to be performed.

Financial Impact: The work related to the preparation of the Invitation for Bids (IFB) is consistent with the adopted budget under Task ISF11 – Indirect General.

Reviewed By: This item was approved by the Administrative Policy Committee on July 14, 2010. SANBAG Counsel has reviewed and approved the Invitation for Bids (IFB) as to form.

Responsible Staff: Duane A. Baker, Director of Management Services



SECTION 1.0

SCOPE OF WORK & SPECIFICATIONS

IFB-C11014

REPAIR AND STUCCO FOG- COATING TO THE EXTERIOR OF THE SAN BERNARDINO SANTA FE DEPOT

SECTION 1.0 SCOPE OF WORK AND SPECIFICATIONS

IFB-C11014

Repair and Stucco Fog-Coating to the Exterior of the San Bernardino Santa Fe Depot

1. INTRODUCTION

- A. The Mission Revival-style Santa Fe Depot in San Bernardino, California was constructed in 1918 to serve as the Los Angeles Division headquarters for the Santa Fe Railroad. The building is characterized by its four tall domed faux bell towers and its Mission Revival style parapets. The exterior surface of the Depot is stucco with a rough texture created by the large aggregate. When the stucco was originally placed on the Depot, the aggregate was encapsulated in the cement-based solution before it was applied to the walls. Therefore, while the texture created by the aggregate was visible on the exterior of the building, the color of aggregate was largely not. Originally, the stucco solution was primarily visible. However, the 92-year old building has weathered, and in many areas the outer cement-plaster solution has worn and the aggregate is now exposed.

2. WORK TO BE DONE

- A. The work to be done consists of 1) clean entire exterior surface in conformance with the Secretary of the Interior's Standards using a low-pressure water wash, supplemented by scrubbing with soft natural bristle brushes; 2) inspection of the exterior of the depot to determine areas in need of repair; 3) working with a Conservator that meets the Secretary of the Interior's Standards professional qualifications, the contractor shall designate an appropriate test area to test the stucco color and mixture ratio for the patching and fog-coating, which shall match the existing stucco in color and consistency; 4) repair of cracks and other damage, identified during inspection; 5) fog-coating of exterior on areas with exposed aggregate; 6) painting the exterior trim that is painted; 5) staining and/or varnishing the exterior trim of the San Bernardino Santa Fe Depot located at 1170 West Third Street, San Bernardino, CA 924101, in accordance with Section 1.0, Scope of Work. The building is jointly owned by SANBAG and the City of San Bernardino.

3. INSTRUCTIONS TO BIDDERS

A. Procurement Schedule

Release Invitation for Bid – posted on website:	September 1, 2010
Pre-Bid Conference / Project Walk Through:	September 10, 2010

SECTION 1.0 SCOPE OF WORK AND SPECIFICATIONS

IFB-C11014

Repair and Stucco Fog-Coating to the Exterior of the San Bernardino Santa Fe Depot

Mandatory 10:00 a.m.	
Requests For Clarification Deadline:	September 17, 2010
Bids Due – 2:00 p.m.: Bids to be opened and read aloud at approximately 2:00 p.m.	September 27, 2010
SANBAG Board Award Contract:	November 3, 2010

- B. Pre Bid Conference:** A mandatory Pre-Bid conference is scheduled for Friday, September 10, 2010, at 10:00 A.M. in the SANBAG Super Chief conference room, 1170 W. 3rd Street, San Bernardino. This meeting is to inform Bidders of project requirements and subcontractors of subcontracting and material supply opportunities.
- C. Examination of Bid Documents:** By submitting a Bid, the Bidder represents that it has reviewed and has become familiar with the Bid documents included in this IFB.
- D. Changes to Bid Documents:** The Authority reserves the right to change, amend or revise the Bid documents at any time. Such changes, if any, will be made by written addendum to this IFB. All registered plan holders will receive an e-mail notification upon issuance of any addendum. All information, including any addenda issued for this IFB will also be posted on the Authority's website at www.sanbag.ca.gov under the link "Bids, RFP's and RFQ's". Bidders are solely responsible for obtaining any additional information, including addenda from Authority's web site.
- E. Contact Information:** All Contract questions are to be directed to: Colleen Franco (909) 884-8276. Questions regarding Project Coordination are to be directed to: Jon L. Wilson, LEED AP, PCR, (310) 451-4488. Questions regarding Certified Payrolls are to be directed to: PCR Services Corporation, (310) 451-4488.
- F. Written Questions:** All questions, clarifications or approved equal requests to the IFB documents shall be submitted to the AUTHORITY in writing to Colleen

SECTION 1.0 SCOPE OF WORK AND SPECIFICATIONS

IFB-C11014

Repair and Stucco Fog-Coating to the Exterior of the San Bernardino Santa Fe Depot

Franco at cfranco@sanbag.ca.gov NO LATER THAN 5:00 P.M. on Friday, September 17, 2010. Responses will be sent electronically to all plan holders by 2:00 P.M. on Tuesday, September 21, 2010 and posted on the AUTHORITY website.

1. All questions, clarifications or approved equal requests must be clearly labeled "Written Questions/ Approved Equal Requests" for IFB C11014. The Authority is not responsible for failure to respond to a written request that was not clearly labeled.
2. Any request for an approved equal must be fully supported with technical data, test results or other pertinent information as evidence to support that the proposed equal is equal to or better than the specification requirements. The burden of proof as to the equality or substitutability of the proposed alternative shall be upon the Bidder. The Authority shall be the sole judge as to the equality or substitutability of the proposed alternative.
3. Any written questions or approved equal requests received after 5:00 p.m. on Friday, September 17, 2010, will not be responded to.

G. Bid Submission:

1. Date and Time – Bids must be received at AUTHORITY's office located at 1170 W. 3rd Street, San Bernardino, CA, at or before 2:00 p.m., Pacific Time, Tuesday, September 27, 2010, Bids received after the due date and time will be rejected.
2. Bids will be publicly opened at Authority's offices at 1170 W. 3rd Street, San Bernardino, CA in the Super Chief Conference Room at approximately 2:00 P.M.
3. Bids are to be delivered to the following address:
**San Bernardino Associated Governments
1170 West 3rd Street, Second Floor
San Bernardino, CA 92410
Attention: Mr. Duane Baker**

H. Bids must be submitted on the forms provided in this IFB. All Bids must be properly completed and submitted in a sealed envelope clearly marked as follows: (1) the company name and address; and (2) the following words in large visible print on all sides of the sealed Bid package:

SECTION 1.0 SCOPE OF WORK AND SPECIFICATIONS

IFB-C11014

Repair and Stucco Fog-Coating to the Exterior of the San Bernardino Santa Fe Depot

Sealed Bid Package for IFB 11014

"Repair and Stucco Fog-Coating to the Exterior of the San Bernardino Santa Fe Depot"

Bidders shall be responsible for any consequences, including disqualification of the Bid, resulting from any inadvertent opening of improperly identified packages. It is the Bidder's sole responsibility to see that its Bid is received as required in this IFB.

- I. **Authority's Rights:** The San Bernardino Associated Governments reserves the right to reject any or all Bids, and to waive any irregularities in any Bid and to determine which Bid is, in its judgment, the lowest responsive Bid of a responsible Bidder and which Bid should be accepted in the best interest of the San Bernardino Associated Governments. No Bids will be accepted unless made on the Bid Form provided in this Bid package. Bids are required for the entire work described herein.
- J. **Licensing Requirements:** For this Federal-Aid project, the Contractor must be properly licensed as a contractor from bid opening through contract acceptance (Bus & Prof Code § 7028.15). Joint venture bidders must obtain a joint venture license before contract award (Bus & Prof Code § 7029.1).
- K. **Pre-Contractual Expenses:** The Authority shall not be liable for any pre-contractual expenses incurred by and Bidder in preparation of its Bid. The Bidder shall not include any such expenses as part of their Bid. Pre-contractual expenses are defined as follows; a) preparing a Bid in response to this IFB; b) submitting that Bid to the Authority; and c) any and all expenses incurred by the Bidder prior to award of a contract.
- L. **Withdrawal of Bids:** A Bidder may withdraw its Bid at any time prior to Bid opening by submitting a written request to the Authority at the address identified in this IFB. After Bid opening, a Bid shall remain open and not withdrawn for a period of sixty (60) calendar days from the date prescribed for its opening.

4. GENERAL REQUIREMENTS

SECTION 1.0 SCOPE OF WORK AND SPECIFICATIONS

IFB-C11014

Repair and Stucco Fog-Coating to the Exterior of the San Bernardino Santa Fe Depot

- A. All work shall be conducted at the San Bernardino Santa Fe Depot located at 1170 West Third Street, San Bernardino, CA 92410, except for testing of the portland cement plaster mix, which shall be determined by performing laboratory analysis of the existing plaster, and reviewed by SANBAG. Work under this contract includes, but is not limited to, furnishing all labor, tools, supplies, materials and equipment for the repair and fog-coating of the exterior of the depot. Contractor general requirements are presented below. Please refer to the Specification section of this IFB for full details.
- 1) Contractor to retain a certified arborist to determine best method to cut back ficus vine to insure re-growth at the completion of project.
 - 2) Contractor, based on best method determined by arborist, will cut back ficus vine in preparation of building cleaning, inspection, repair and fog-coating.
 - 3) Contractor to clean entire exterior surface in conformance with the Secretary of the Interior's Standards using a low-pressure water wash, supplemented by scrubbing with soft natural bristle brushes.
 - 4) Contractor to inspect exterior of building to identify surface cracking, areas of exposed aggregate in the stucco, areas of poor patching, and deteriorating trim in need of repair. SANBAG will approve areas that need repair and/or fog-coating.
 - 5) Contractor to work with an architectural Conservator that meets the Secretary of the Interior's Standards professional qualifications and designate an appropriate test area to test the stucco color and mixture ratio for the patching and fog-coating to match the existing stucco in color and consistency. Samples shall be sent to a lab to determine the appropriate mixture for the stucco. Before commencement of repair and fog coating, the selected mixture shall be approved by SANBAG.
 - 6) Contractor to repair any damage and/cracks found during inspection in such a manner as to replicate the existing façade of the depot, and using the stucco mixture determined during testing.
 - 7) Contractor to prepare surface and apply stucco mixture, determined during testing, by fog-coating those areas of the exterior that were poorly patched or have exposed aggregate in the existing exterior stucco.

SECTION 1.0 SCOPE OF WORK AND SPECIFICATIONS

IFB-C11014

Repair and Stucco Fog-Coating to the Exterior of the San Bernardino Santa Fe Depot

- 8) Contractor to prepare surface and apply paint to the exterior trim of the building using the guidelines recommended by product manufacturer in a color identical to the existing trim color.
- 9) Contractor to prepare surface and apply stain and/or varnish to the exterior trim of the building using the guidelines recommended by product manufacturer in a color identical to the existing trim stain.
- 10) Contractor to prepare surface and apply paint, color to be approved by SANBAG, to all exterior metal treatments, i.e. stairs, gates, hand and guard rails.
- 11) Contractor to field verify all areas for appropriate square footages, linear feet, and types of finishes.
- 12) Pedestrians shall be safely directed around the construction area via existing facilities or access facilities shall be provided through project area. Protective overhead covering shall be provided as necessary to insure protection from falling objects and drip from overhead structures.
- 13) Personal vehicles of the Contractor's employees shall not be parked on the traveled way including any section closed to public traffic. The contractor shall not block the entrance and exit of the parking area, and the building main entrance.
- 14) The Contractor shall protect concrete pavement against construction and other activities that abrade, scar, discolor, reduce texture depth, lower coefficient of friction, or otherwise damage the surface.
- 15) The contractor shall arrange for the disposal of all materials generated in the performance of this contract. No trash or waste of any kind that is generated by the contractor shall be disposed of in any receptacle that is in place for the use of our employees. Any trash or waste that must be disposed of by SANBAG, due to the contractor's failure to provide for proper disposal, will result in a liquidated damage to the contractor equal to the cost of disposal plus the labor costs associated with making those arrangements.
- 16) All work is to comply with all applicable state and city code requirements.
- 17) The contractor shall ensure that all of his work strictly adheres to all Federal, State, and Local safety and environmental laws and regulations.

SECTION 1.0 SCOPE OF WORK AND SPECIFICATIONS

IFB-C11014

Repair and Stucco Fog-Coating to the Exterior of the San Bernardino Santa Fe Depot

SANBAG, in accordance with the dual employer law, reserves the right to correct unsafe practices by the contractor's employees, or stop work until the contractor makes the appropriate corrections.

5. POWDER COATING AND PORTLAND CEMENT PLASTER TECHNICAL SPECIFICATIONS

A. Qualifications

Because of the extent of the repair and rehabilitation work necessary, it is recommended that only qualified, experienced contractors having a minimum of five years' experience in historic building restoration plaster work and demonstrated experience working with historic buildings of similar type and materials be employed as a part of the construction team to carry out the preservation, repair and replacement work. The qualified historic contractor's credentials will be verified by the submittal of a resume and/or a Statement of Qualifications, which will confirm the firm's ability to perform construction at a level necessary to achieve high quality preservation, repair and replacement work. The Contractor will be required to follow the Secretary of the Interior's Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings.

B. Submittals

- 1) **Product Data:** Contractor will submit technical data sheets and application instructions for the powder coating and Portland Cement Plaster.
- 2) **Color and Texture Mockups for patching and fog coating:** The fog coating and the portland cement plaster mix shall be determined by performing laboratory analysis of the existing plaster. The Contractor shall work with an architectural Conservator that meets the Secretary of the Interior's Standards professional qualifications and designate an appropriate test area to test the stucco color and mixture ratio for the patching and fog-coating to match the existing stucco in color and consistency. Samples shall be sent to a lab to determine the appropriate mixture for the stucco.

C. Products

1) Fog Coating: LaHabra Fog Coat

- a) **Composition:** Binder Base: portland cement, hydrated lime and proprietary ingredients. (White Portland Cement: ASTM C150 Type I, Type-S Hydrated Lime: ASTM C206)

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- b) **Storage:** Store off ground and protect from sun and moisture. Shelf life for fog coating is 12 months if properly stored in original unopened container.
- c) **Coverage:** For fog coating, depending on the condition of the substrate, method of application, amount of water used per bag and number of applications, approximate coverage when two coats are applied is: 800 to 1,000 sq. ft. (74 -93 m²) per 25 lb. (11.3 kg) bag.
- d) **Drying Time and Clean-Up:** For fog coating, approximately 1 hour depending upon temperature, humidity and substrate. High humidity and low temperatures extend drying time, can be recoated after drying. Water soluble prior to drying. Clean tools and containers with water prior to drying.
- e) **Surface Preparation:** Clean entire exterior surface using a low-pressure water wash, supplemented by scrubbing with soft natural bristle brushes. Stucco must be clean, free of dirt and foreign material. Remove surface contaminants such as dust or dirt without damaging the substrate. Remove Hardware, cover plates, and similar items before applying coatings. Provide protection for non-removable items. Protect surfaces not scheduled for coating Fog Coat should be applied with an ambient and surface temperature above 40°F (4.4°C) for a minimum of 24 hours following the application.
- f) **Mixing:** Use clean equipment for mixing and preparation. While stirring using a drill at 400–500 rpm with a rust free mixing paddle, slowly add the 25 lb. bag of Fog Coat to 2-½ gallons of cool-clean potable water. Divide equally into two 5 gallon pails. Add an additional 1-½ gallons of water to each pail - stir and allow to stand for 10 to 15 minutes. Stir thoroughly and strain the Fog Coat material through a suitable paint strainer into a clean 5-gallon pail or the spray equipment tank to be used. If desired, add LaHabra Acrylic Bonder, 6 – 10 ounces per gallon (maximum of 1 gallon per bag in place of the equivalent amount of water) of mixed, strained Fog Coat and stir well. Agitate material frequently to avoid separation during application.

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- g) **Application:** Spray apply Fog Coat using a hand pump (low-pressure), compressed air tank sprayer, professional grade (modified) Airless or HVLP Gun sprayer. While spraying use a circular motion when using a circular pattern tip, or alternate vertical and horizontal motions when using a fan pattern tip, holding the nozzle 18" from the wall. Apply end to end and top to bottom or to a prominent architectural break. Two coats are recommended to ensure complete coverage. Fog Coat over-spray, drips, or spills should be removed immediately with water, or soap and water to prevent the possibility of permanent staining. All areas of the surface with exposed aggregate should be coated. Areas where the aggregate is not visible should only be cleaned.
 - h) **Curing:** Lightly mist wall with water to dampen 24 hours after application of Fog Coat to assist curing—allow to dry.
- 2) **Portland Cement Plaster: To be determined by the Conservator**
- a) **Composition:** Portland cement ASTM C 150, Type I or Type III, Lime ASTM C 206, Type S; or ASTM C 207; special hydrated lime; Aggregate, light gray colored, fine graded sand. 80-85 percent quartz, percent granitic, sieve sizes #16 to #200; Sand/Lime Ratio approximately 1.6 parts sand to 1 part lime; potable water; Color and appearance to match the sample area selected by the Conservator.
 - b) **Storage:** Store off ground and protect from sun and moisture.
 - c) **Surface Preparation:** Clean entire exterior surface using a low-pressure water wash, supplemented by scrubbing with soft natural bristle brushes. Stucco must be clean, free of dirt and foreign material. Remove surface contaminants such as dust or dirt without damaging the substrate. Remove Hardware, cover plates, and similar items before applying coatings. Provide protection for non-removable items. Protect surfaces not scheduled for coating.
 - d) **Mixing:** Stucco mortar should not be over-mixed. (Hand mix for 10-15 minutes after adding water, or machine mix for 3-4 minutes after all ingredients are in mixer.) Over-mixing can cause crazing and discoloration, especially in tinted mortars. Over-mixing will

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also tend to make the mortar set too fast, which will result in cracking and poor bonding or keying to the lath or masonry substrate.

- e) **Application:** Surface cracks should be patched by applying the plaster mix directly into the existing crack. Deep cracks that reach the structural concrete should be cleaned out and new plaster inserted into the space. Areas heavily damaged Repair of historic stucco generally follows most of the same principles used in plaster repair. First, all deteriorated, severely cracked and loose stucco should be removed down to the lath (assuming that the lath is securely attached to the substrate), or down to the masonry if the stucco is directly applied to a masonry substrate. A clean surface is necessary to obtain a good bond between the stucco and substrate. The areas to be patched should be cleaned of all debris with a bristle brush, and all plant growth, dirt, loose paint, oil or grease should be removed. If necessary, brick or stone mortar joints should then be raked out to a depth of approximately 5/8" to ensure a good bond between the substrate and the new stucco. To obtain a neat repair, the area to be patched should be squared-off with a butt joint, using a cold chisel, a hatchet, a diamond blade saw, or a masonry bit. Sometimes it may be preferable to leave the area to be patched in an irregular shape which may result in a less conspicuous patch. Proper preparation of the area to be patched requires very sharp tools, and extreme caution on the part of the plasterer not to break keys of surrounding good stucco by "over-sounding" when removing deteriorated stucco. To obtain a neat repair, the area to be patched should be squared-off with a butt joint, using a cold chisel, a hatchet, a diamond blade saw, or a masonry bit. Sometimes it may be preferable to leave the area to be patched in an irregular shape which may result in a less conspicuous patch. Proper preparation of the area to be patched requires very sharp tools, and extreme caution on the part of the plasterer not to break keys of surrounding good stucco by "over-sounding" when removing deteriorated stucco.
- f) **Curing:** To prevent cracking, it is imperative that stucco not dry too fast. Therefore, the area to be stuccoed should be shaded, or

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even covered if possible, particularly in hot weather. It is also a good idea in hot weather to keep the newly stuccoed area damp, at approximately 90 per cent humidity, for a period of 48 to 72 hours. Stucco repairs, like most other exterior masonry work, should not be undertaken in cold weather (below 40 degrees Fahrenheit, and preferably warmer), or if there is danger of frost.

5. PAINTING TECHNICAL SPECIFICATIONS

A. Qualifications

Because of the extent of the repair and rehabilitation work necessary, it is recommended that only qualified, experienced contractors having a minimum of five years' experience in painting historic buildings and demonstrated experience working with historic buildings of similar type and materials be employed as a part of the construction team to carry out the preservation, repair and replacement work. The qualified historic contractor's credentials will be verified by the submittal of a resume and/or a Statement of Qualifications, which will confirm the firm's ability to perform construction at a level necessary to achieve high quality preservation, repair and replacement work. The Contractor will be required to follow the Secretary of the Interior's Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings.

B. Submittals

- 1) **Product Data:** Contractor will submit technical data sheets and application instructions for any painting of the building.
- 2) **Paint:** Sherwin-Williams Company
- 3) **Schedule of Coatings:** (The products listed below are by Sherwin Williams, unless noted otherwise.) Painted Wood: Bottom Two coats: A-100 (Alkyd) Oil Wood Primer Y24W20. Min. Dry film thickness 2.3 mils. Top Two coats: Super Paint SemiGloss A84 Series @ 1.4 mils DFT per coat. Ferrous Metall Wrought Iron: Kem Bond HS min. DFT 3.0 mils. Middle coat: same as top coat. Top coat: Industrial Enamel B54WZ @ 3.0 mils DFT per coat. Galvanized Metal: Full Prime: Galvite HS, Middle Coat: Same as top coat. Top Coat: Super Paint SemiGloss A84 Series @ 1.4 mils DFT per coat. Stained Wood: WoodClassics Semi-Transparent Oil Stain (A48-200). 2.-3 Clear Coats: Minwax Helsman Spar Varnish, semi-gloss.
- 4) **Storage:** Store materials in an orderly fashion and in clean, well-closed

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containers with labels intact. Maintain above 40 degrees F. Do not allow materials to freeze.

- 5) **Color and Texture Samples:** Provide for each coating system, color, and texture and applied to representative substrate samples. Prepare samples to show bare, prepared surface and each successive coat. Label each sample with coating name and color. Miscellaneous substrates: 12-by-12-inch hardboard. Plaster & Gypsum Board: 12-inch square samples. Painted Wood: 8-inch square samples for surfaces; 8-inch long samples for trim. Stained Wood: 8-inch square samples for surfaces; 8-inch long samples for trim. Metal: 5-by-7-inch samples.
- 6) **Surface Preparation:** Before stripping procedures begin, all surfaces shall be tested and the process and results recorded to provide the least intrusive and damaging methods. Approval of the final method for removing finishes to be approved by the SANBAG. Clean and properly neutralize surface in accordance with manufacturers' instructions and as herein specified. Remove dirt, dust, grease, oils, and foreign matter. Prepare surface for proper texture necessary to optimum coating adhesion and intended finished appearance. Plan cleaning, preparation, and coating operations to avoid contamination of freshly coated surfaces. Do not apply coatings to labels that identify equipment, fire-resistance ratings, etc. Remove hardware, cover plates, and similar items before applying coatings.

Provide protection for non-removable items not scheduled for coating. After application of coatings, install removed items. Use only skilled workmen for removal and replacement of such items. Protect surfaces not scheduled for coating. Clean, repair, or replace to the satisfaction of the architect any surfaces inadvertently spattered or coated. High pressure water blasting is not allowed. Medium and low pressure water blasting may be permitted at the discretion of the SANBAG. A detergent solution, a medium soft bristle brush, and a garden hose for purposes of rinsing is appropriate. Fill cracks and repair gaps with a wood filler. Acceptable fillers to as manufactured by "Abatron Inc.", Kenosha Wisconsin, or by "Dry Rot Control, Inc.", or equal.

Scrape and remove any sap or pitch deposits from surface and clean with mineral spirits. Seal any knots and pitch pockets with a suitable product

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recommended by the coating manufacturer. Set nails. Sand rough spots. Remove dirt and dust. After first primer coat has dried, fill holes, cracks, or depressions with a suitable wood filler recommended by the coating manufacturer. Sand filler when dry. Filling with "Bondo" is not allowed. Acceptable fillers are discussed in the products section of this specification. Feather-edge sand all existing paints that remain (if any) so that the edge is no longer evident. Sand surfaces lightly between successive coats. Remove dust. Rotary sanding and scraping tools are D.Q1 allowed. Reattach loose wood pieces. The final result following primer application is a sealed finish without splits, cracks, "alligatoring," open nail holes, rotted openings, open or misaligned joints. All pieces shall be nailed firmly to the substrate prior to the second primer coat. Set nails flush with finish surface with hammer, do not overdrive nails. Wire nails and stapling of trim is not acceptable. Use finish nails on all trim and penetrate subsurface material a minimum of 1". All new wood shall be date stamped in letters minimum 1/4" high noting month and year in an area not exposed to view. The date stamp may include the installer's or craftsman's name as a record of time when the work was installed. For wood windows, remove the operable sashes in order to access and treat all surfaces. Do not paint the grooves in the double-hung window frames. Painting these areas may prevent the windows from functioning properly. The glazing putty shall be painted to match the sash color. There shall be an overlap of paint onto the glass of at least 1/16" and no more than 1/8". The finished paint edge shall be straight and even. For Ferrous Metal, clean and prepare surface profile in accordance with the applicable SSPC specifications for hand tool or power tool cleaning. Intricate fabricated shapes may be pickled in lieu of hand or power tool cleaning. Before hand or power tool cleaning, remove visible oil, grease, soluble welding residue, and salts by solvent cleaning. After hand or power tool cleaning, re-clean surfaces if necessary. Before touching up coatings damaged by handling or welding, re-prepare damaged surfaces.

- 7) **Mixing:** Remove and discard any skin formed on surface of coatings in containers. Discard any containers where skin comprises 2 percent or more of the remaining material. Do not add thinner except as specifically recommended (not merely permitted) by the coating manufacturer for proper coating application under the circumstances prevailing at the project site when application equipment recommended by the coating

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manufacture is employed. Use only the quantities and the types of thinner recommended. Mix materials using mechanical mixers in accordance with coating manufacturer's printed instructions. Agitate mixed materials during application if recommended by manufacturer. Combine multi-component paints in quantities needed for use within the manufacturer's recommended pot life at the anticipated application temperatures. Discard remaining mixed material after pot life has expired. Strain pigmented coatings after mixing except where mechanical application equipment is provided with effective strainers. Except where coating materials cannot be tinted, tint each successive coat of paint a sufficiently contrasting color to facilitate identification of complete coating coverage.

- 8) **Application:** Apply all coatings in accordance with coating manufacturer's instructions to obtain full, uniform coverage of surfaces to be coated. Employ only application equipment that is clean, properly adjusted, in good working order and of the type recommended by the coating manufacturer. Apply each coat to achieve the dry film thickness per coat recommended by the coating manufacturer. Application rates in excess of those recommended and fewer numbers of coats than specified will not be accepted. Completed coatings shall be free of defects such as runs, sags, variations in color, lap or obvious brush marks, holidays, and skips. Apply coatings according to the schedule at the end of this section and as otherwise indicated. Coat all similar surfaces not specifically mentioned unless specifically exempted. Ensure that all surfaces receive a dry film thickness equivalent to those of flat surfaces. Apply coatings to match approved mock-ups. Apply first coat of material to properly prepared surfaces without delay. Apply successive coats within the time limits' recommended by the manufacturer.
- 9) **Prime Coats:** Where first coat shows signs of suction spots or poorly sealed areas, reapply first coat material to adequately seal surface before proceeding with successive coats. Ferrous metals shall be field primed. Re-prepare and retouch damaged prime coats using approved, compatible primer. Back-prime and end-prime all new and reattached woodwork.
- 10) **Finish Coats:** Apply not less than the number of coats indicated. Apply each coat to achieve not less than the dry film thicknesses recommended by paint manufacturer per coat. Apply additional coats at no additional cost to the owner when necessary to achieve complete hiding, uniform texture, or uniform sheen and appearance.

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- 11) **Cleaning:** Clean work area on a daily basis; dispose of spent materials and empty containers.

End of Section 1.0